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Serb Riot Police Beat Protesters In Edgy Kosovo

30,000 Ethnic Albanians Rally To Condemn Killings of 20; West Asks Milosevic to Negotiate

By Chris Hedges
New York Times Service

PRISTINA, Serbia — The Serbian police used truncheons, water cannon and tear gas to disperse about 30,000 ethnic Albanian demonstrators who were marching here Monday to condemn the killing of more than 20 people over the weekend. The street clashes in the capital marked the third day of serious unrest in Kosovo Province, where 90 percent of the population are ethnic Albanians. The

On the move with Kosovo's rebels. Page 5.

unrest began Friday when Serbian police were ambushed by rebels of the Kosovo Liberation Army. The Serbian authorities, lashing out with an unrestrained fury, executed at least 20 civilians in the area of the ambush, human rights officials contend. The unrest could, if unchecked, lead to an escalation of the mounting violence that has beset Kosovo in recent months. Western diplomats, who were quick to condemn the behavior of the Serbian police, have appealed to Slobodan Milosevic, the president of Yugoslavia, to negotiate with the ethnic Albanian leadership, an appeal that was swiftly re-



Riot police charging demonstrators in Pristina, capital of Kosovo Province, on Monday, at a rally two days after 20 people were killed during police sweeps against ethnic Albanian militants.

jected by senior government officials in Belgrade. The police, to prevent protesters from gathering in the center of Pristina, blocked streets early in the morning. When people began to gather, squads of heavily armed police charged to break them up. One group of police, apparently angered by the efforts of a photographer to take pictures from the window of the daily newspaper Koha Ditore, entered

the offices of the paper, ransacked the premises and threw the photographer from the second story window, breaking his leg. Scores of other people were injured in the assaults, as police officers chased protesters down side streets and gave those they caught brutal beatings. Veton Surroi, the editor of

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Schroeder Charts A 'Middle' Path

Kohl Foe Launches Campaign With His Party's Solid Support

By William Drozdzick
Washington Post Service

BERLIN — As he began a new Monday to persuade German voters that he should replace Chancellor Helmut Kohl as leader of Europe's most powerful nation, Gerhard Schröder confronted what may be his biggest challenge: how to lure votes from the center without alienating his fellow Social Democrats.

Basking in glory after his triumphant showing in Lower Saxony elections, Schröder ran the party nomination to run for chancellor. Mr. Schröder insisted that his party's path back to power in the September national election after 16 years in the opposition lay straight down the middle.

"We're talking about a political plan that embraces both business and social responsibility," Mr. Schröder said. "We must create a social consensus in the battle against mass unemployment. It has to be anchored in the middle."

Over the years, Mr. Schröder cultivated a maverick role within his party as an unabashed friend of business; one who purts Cuban cigars, rubs shoulders with titans of industry and serves on Volkswagen's board. It is an image that has always irritated the traditional working-class constituents among Social Democrats, who tend to forget Mr. Schröder's impoverished origins as the son of a widowed cleaning lady.

For the moment, those doubts have vanished as the chairman of the Social Democrats, Oskar Lafontaine, and other guardians of the party's leftist orthodoxy have thrown their support behind Mr. Schröder's blend of moderate policies and telegenic good looks as the potential winning combination that will break their miserable losing streak over the past four national elections.

But if Mr. Schröder hopes to deliver on his promises of modernizing German industry and finding new jobs for Germany's record number of nearly 5 million unemployed, economists and business leaders claim that his party's core supporters may not like his bolder prescriptions. They say Mr. Schröder will have to persuade many of them to accept lower wages to reduce some of the world's highest labor costs that have sapped Germany's ability to compete in the global economy.

"He still needs to tell the country what really lies behind such slogans as modernity in economic policy, tax reform and technological progress," said Hans-Peter Stihl, head of Germany's Chamber of Commerce and Industry. "The details are not likely to please everybody, especially some people in his party."

Just as Tony Blair waged a bitter battle with the Labour Party's old guard to fashion more centrist policies in Britain, Mr. Schröder faces a serious struggle in building a new social consensus, such as through his "Alliance for Jobs" that calls for close cooperation unions and employers.

In many respects, such pragmatic approaches remain anathema to leftist Social Democrats, not to mention the more radical Greens, whose support may be necessary for a governing coalition.

Unlike other Social Democrats, Mr. Schröder is skeptical about the single European currency and insists that the Deutsche mark should only be replaced when monetary stability can be assured. He also fears that the euro may worsen Germany's unemployment troubles by driving investors toward cheaper wage countries in the European Union.

Mr. Schröder says he wants to cut taxes to bolster growth, but he is already

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Hindu Nationalists in the Lead

By John F. Burns
New York Times Service

NEW DELHI — Partial returns from India's general election indicated Monday that an alliance of parties led by the Bharatiya Janata Party, a Hindu nationalist group, had far outstripped a rival alliance led by the Congress (I) Party, but apparently not by enough seats to assure the Hindu nationalists of an outright parliamentary majority.

A fuller picture awaited the completion of vote-counting for more than 540 parliamentary seats, which was not expected until late Tuesday.

But if the early trends hold up, India appears to be headed for a period of intense political maneuvering, with the Hindu nationalists and the Congress Party competing to reach a majority by drawing the support of other groups with seats in the new Lok Sabha, India's lower house of Parliament.

According to an unofficial estimate made by Star TV, a privately owned television network with the most elaborate broadcast coverage of the results, the Bharatiya Janata Party and its allies were likely to end up with 250 to 260 seats.

The network estimated that the Congress Party, led in the election campaign by Sonia Gandhi, the Italian-born widow of Rajiv Gandhi, a former prime minister, would get between 150 and 160 seats, an improvement of about 15 to 20 seats from the 1996 election, when Mrs. Gandhi did not campaign.

The network estimated that a third major alliance, a center-left group known as the United Front, would win 100 seats, with 20 to 40 seats going to splinter parties that have not aligned with any of the major groups.

Since leaders of the Congress Party and the United

See INDIA, Page 4



Atal Bihari Vajpayee, a leading Hindu nationalist, receiving partial election results Monday.

AGENDA

Terrorism 'Ugly,' Iran's Leader Says

TEHRAN (AFP) — President Mohammad Khatami of Iran vowed Monday to cooperate with the international community in fighting the "ugly phenomenon" of terrorism.

In a meeting here with the Italian foreign minister, Lamberto Dini, Mr. Khatami said: "Terrorism and violence breed hatred and hatred is destructive. I sincerely and honestly am ready to cooperate to fight this ugly phenomenon in all its forms."

Western countries, led by the United States, often accuse Iran of sponsoring terrorism.

The Dollar			
	Monday 8 A.M.	previous close	
New York	1.8143	1.8164	
DM	1.8143	1.8164	
Pound	1.6483	1.6524	
Yen	125.53	125.08	
FF	6.0837	6.0905	

The Dow			
	Monday close	previous close	
+4.73	8550.45	8545.72	
S&P 500			
change	Monday 8 A.M.	previous close	
-1.62	1047.72	1049.34	

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Japan	1,200 YEN	Zimbabwe	20.00 Zim

PICKING ECONOMIC WINNERS IN EUROPE AND ASIA

In the Old World, a New Equity Culture

By John Tagliabue
New York Times Service

FRANKFURT — Two years ago, Boris Ogursky was working for the catering arm of Lufthansa, the German airline, when he saw the future and made a bet.

The German government was selling off the last bits of the airline to investors, and Lufthansa management was trying to introduce employees to the idea of having a stake in the company's success. In place of a pay raise, employees could choose between a one-time cash payout and an equivalent amount of stock.

To make the notion of stock ownership too good to refuse, Lufthansa added a twist: Employees could borrow money interest-free from the airline to buy additional stock at market prices. After two years, they could either sell the shares and pay back the loan or hold onto them and pay it off gradually. If Lufthansa's share price rose, the employees

pocketed the profit if it sank, the company promised to buy back the shares at no loss to the employee.

Mr. Ogursky bit. He purchased 67 Lufthansa shares at 20.60 Deutsche marks, or nearly \$12 a share. On Friday, they closed at 34.35 marks, or almost \$19. Mr. Ogursky's 110 shares — he later added to his holdings — are now worth about \$2,100.

Stock ownership in Europe is nowhere near as common as it is in the United States. Forty-three percent of adult Americans own shares either directly or through mutual funds, compared with only 6 percent of adult Germans, 16 percent of the French and 25 percent of Britons. Investing in stocks has long been considered too chancy a move in the Old World, where the middle-class investment of choice is a virtually risk-free government bond.

But that is changing. In 1995, when Lufthansa first offered

See SHARES, Page 6

In the Far East, Nimble Firms Thrive

By Steven Mufson
Washington Post Service

TIANJIN, China — Just a few months ago, four companies in Thailand were vying for shares of the worldwide market for leather golf bags. Today, two are bankrupt, crushed by the weight of foreign debts.

The surviving two, however, are making more money than ever. Smart enough to have borrowed only in Thai currency, they were not hurt by the plunge in the foreign-exchange value of the baht. In fact, they are in better shape than before; they cannot work fast enough to fill their orders. Sales prices are holding steady, because there is less competition, and the slump of the Thai currency cut the cost of labor and local leather and fattened profit margins.

Similar stories are emerging across Asia from the shakeout of the continent's fiscal crisis. The financial earth-

quake has altered the economic landscape, and while for the most part it has brought hardship and even catastrophe, it also has left standing some winners in an intensified international competition for money and markets.

"If you had low debt, if you're exporting and getting dollar revenues and have local currency costs, then you're doing great," said John Seel, a Hong Kong-based economist for Bear, Stearns & Co. "Unfortunately, there are not too many companies like that."

Some of the winners and losers are well known. Among the losers are Thailand's banking sector, South Korea's biggest conglomerates and the vast majority of Indonesian companies. J.P. Morgan & Co. is laying off Asian staffers, and Union Bank of Switzerland took a huge write-off for an ill-fated Asian currency transaction. The winners are some foreign-funded

See SHAKEOUT, Page 14

Soaring Inflation Hits Indonesia and South Korea

Compiled by Our Staff From Dispatches

JAKARTA — The forced devaluation of their currencies has sent inflation rates soaring, Indonesia and South Korea announced Monday, in a fresh sign that a second wave of turbulence in Asia's economic crisis is washing across the region.

Indonesia's inflation rate accelerated to nearly 32 percent in February, the brink of hyperinflation, the government reported. The figures are the worst since the mid-1960s, when economic and political turmoil toppled Sukarno, Indonesia's founding father, and propelled President Suharto to power.

"This is just the reported figure, can you imagine what it's really like out in the villages," said Jimmy Koh, a regional economist at Independent Economic Analysis (Holdings) Pte. in Singapore. "I was looking at 50 percent for the full year before this number. Now I'll probably revise it higher."

Over the past six weeks, prices have soared, hundreds of thousands of people have lost their jobs, economic activity has slowed to a crawl, and dozens of food riots have broken out in provincial towns.

In South Korea, the months-long slide of the won has also sent inflation soaring. The Finance Ministry said the consumer price index had risen at a 9.5 percent rate in February, after an 8.3 percent rise in January. Producer prices climbed 17.7 percent in February.

At the same time, Seoul announced a record trade surplus, but economists said this would not last. The Trade Ministry said the country had a customs-cleared surplus of \$3.29 billion in February, the largest ever, against a \$2.12 billion deficit a year earlier.

"The surge in inflation has been anticipated, given the won's dramatic fall to the dollar," said Kim Joon Kyung, an economist at the Korea Development Institute. "But exports won't be able to sustain steady

growth for long because the basis for exports is weakening rapidly."

Indonesia's inflation figures were issued as former Vice President Walter Mondale, an envoy of President Bill Clinton, arrived in Jakarta to urge Mr. Suharto to implement economic reforms.

Indonesia's Bureau of Statistics said inflation in February was 12.76 percent, more than in all of 1997. The year-on-year figure for the month was 31.7 percent, close to hyperinflation.

Analysis says that, as a rule of thumb, hyperinflation is defined as price increases running at between 40 percent and 50 percent. The sharp jump in the official figure backed up anecdotal evidence that price rises in many basic goods are already 40 percent or 50 percent or even much higher. The government's official fig-

See INDONESIA, Page 14



Rudolf Scharping, Social Democratic whip, left, and Premiers Gerhard Schröder, Johannes Rau and Oskar Lafontaine in high spirits Monday in Bonn.

A Battle of Appearances

Expect Both Candidates to Shun Risky Issues

By John Vinocur
Washington Post Service

PARIS — In nominating Gerhard Schröder, the Social Democratic Party has chosen a candidate for chancellor whose appearance of substance and seeming refusal of palpable risk may be just enough for Germans to think he is the safe choice to replace Helmut Kohl after 16 years in power.

Appearances rather than doctrine will very probably be at the heart of the election Sept. 27 because the choice in Germany is between two still very cloudy notions of the future of Europe's pivotal country: Mr. Kohl's imprecise promise of security and continuity in a world that has changed, and Mr. Schröder's equally vague pledges of modernity and renewal.

The contest is in every respect a fascinating and passionate match between

men of powerful political reflexes, but the lack of specific undertakings in their ideas about what Germany should become makes the issues secondary to the personalities. In a country that has taken pride in elections that have meant programs and content, their diminished presence creates the prospect of a vote that will be decided by emotions, instinct and the impact of television.

On the issues, each candidate is

NEWS ANALYSIS

obliged to deal with a central contradiction. Mr. Kohl, the Christian Democrat who oversaw German reunification but also the unrelieved onslaught of massive unemployment, must cast himself as guarantor of a safe and seamless type of everyday life and opportunity that many Germans feel vanished during his reign. Mr. Schröder, the charismatic challenger whose state ran up a ledger of debt, joblessness and government intervention in private business, must show himself as committed to innovation for Germany well beyond the modest scale of his accomplishments in Lower Saxony.

Under the circumstances, the election can run on two elements. If the debate goes to the substance of reform, one of the elements can be each candidate's explanation of how much new individual risk, in a country that abhors it, will be brought into German society in order to create jobs and enterprise.

But considering the potential for alienating voters attached to Germany's vast system of state protections and subsidies, an exceptionally personal confrontation, short on detail and strong on emotion, seems more likely.

In a long campaign the potential for error and the awakening of conservative

See GERMANY, Page 6

Let There Be Light, Even at the End of the Earth

A political cartoon by David Coverly. It depicts a large globe being hoisted by a crane. A small figure stands on the globe, and a flag flies from the crane's arm. The background is dark and textured.

El Niño Rains Wash Out Fragile African Economies

Slovakia's Meciar Fills A Presidential Vacuum

WEATHER

Europe

City	Tomorrow	
	High	Low
Algeria	2078	1467
Amsterdam	1255	1126
Athens	744	524
Bahamas	1508	744
Barcelona	1904	1593
Batavia	1508	436
Bombay	1512	1032
Buenos Aires	1395	1305
Buenos Aires	946	744
Cape Town	846	546
Caracas	2077	1504
Colombo	1502	432
Cuba Del Sud	846	546
Dallas	1502	432
Edinburgh	1504	546
Frankfurt	1504	546
Geneva	1504	546
Guatemala	1504	546
Havana	1504	546
London	1504	546
Los Angeles	1504	546
Madrid	1504	546
Miami	1504	546
Mexico	1504	546
Moscow	1504	546
New York	1504	546
Paris	1504	546
Peking	1504	546
Rio de Janeiro	1504	546
Rome	1504	546
Sao Paulo	1504	546
Seattle	1504	546
Shanghai	1504	546
Singapore	1504	546
Stockholm	1504	546
Taipei	1504	546
Tokyo	1504	546
Washington	1504	546
Zurich	1504	546

Asia

City	Tomorrow	
	High	Low
Bangkok	1504	546
Bombay	1504	546
Buenos Aires	1504	546
Buenos Aires	1504	546
Cape Town	1504	546
Caracas	1504	546
Colombo	1504	546
Cuba Del Sud	1504	546
Dallas	1504	546
Edinburgh	1504	546
Frankfurt	1504	546
Geneva	1504	546
Guatemala	1504	546
Havana	1504	546
London	1504	546
Los Angeles	1504	546
Madrid	1504	546
Miami	1504	546
Mexico	1504	546
New York	1504	546
Paris	1504	546
Peking	1504	546
Rio de Janeiro	1504	546
Rome	1504	546
Sao Paulo	1504	546
Seattle	1504	546
Shanghai	1504	546
Singapore	1504	546
Stockholm	1504	546
Taipei	1504	546
Tokyo	1504	546
Washington	1504	546
Zurich	1504	546

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TRAVEL UPDATE

U.S. Citizens Warned

A plane from Belgrade landed in Banja Luka, Bosnia-Herzegovina, on Monday, marking a resumption of regular air traffic between Serbia and Bosnia after nearly eight years. (AP)

Correction

A Bloomberg News article in Monday's editions incorrectly characterized comments by Taku Yamasaki, an official of Japan's governing Liberal Democratic Party. Mr. Yamasaki urged that public works spending for fiscal year 1998, which begins in April, be accelerated and completed in the first half of the year.

Global Financial Crisis

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MALAYSIA	RM	182	108	40
NETHERLANDS	fl.	160	70	46
NORWAY	NOK	820	300	53
SINGAPORE	S	161	82	40
SPAIN	P	1170	500	57
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THE AMERICAS

Testing America's Math Mettle: Some See Success in Being Behind

By Ethan Bronner
New York Times Service

NEW YORK — When the results of a major international mathematics and science test were made public last week, showing American 12th-graders near the bottom of the industrialized world, leaders reacted with well-rehearsed alarm. They warned that Americans would not be able "to continue to be global competitors in the new knowledge economy," as Education Secretary Richard Riley put it.

Fingers were pointed, hands were wrung. Officials lamented that the United States continued to be, as the title of an influential 1983 education report had it, "A Nation at Risk."

But with the country standing today as the world's unchallenged technological powerhouse, the trendsetter for a global computer and information economy that Asian and European countries are struggling to match, the scripted furor has drowned out a quiet, embarrassed de-

bate. Top scientists and educators are wondering whether the country is succeeding despite loose educational practices or at least in part because of them.

"Like America, science is a fundamentally optimistic endeavor, a kind of child's play, where little attention is paid to getting it right immediately and there is little stress on canons," said Dudley Herschbach, a chemistry professor at Harvard University and a 1986 Nobel laureate. "I have noticed that graduate students who get straight A's are often lost when it comes to research. Maybe we have let kids wander all over hell in high school, but that preserves some energy for later when it is better spent."

Even as he spoke those words, Mr. Herschbach worried that they were a rationalizing of dismal results and based on little more than anecdote and hunch. But he was not alone to voice such educational sacrilege.

Larry Cuban, a professor of education at Stanford University, said, "American ingenuity and

innovation seem to be so nimble in responding to difficult problems that one could speculate that the progressivism that so many critics claim has seized American schools is the very fountainhead for that creativity and innovation."

Nearly all educators agreed that American schooling required improvement, that teachers were poorly paid and trained and that students were underserved and insufficiently challenged. But the educators said the links between those problems and economic performance were apparently far less direct than had been supposed.

Many expressed alarm and puzzlement over the results, released Tuesday, of the Third International Mathematics and Science Study. American 12th-graders were outperformed in mathematics and science literacy by their counterparts in 12 countries out of 20 and did better than students in just two, Cyprus and South Africa. In advanced mathematics and physics, no country performed more poorly.

In the same study, American fourth-graders scored above the international average and eighth-graders about average. So some educators took the opportunity to argue that recent attention to standards and better schools had begun to pay off but had not reached the upper levels of schooling.

The trouble is that this pattern has been consistent for as long as comparative tests have been given. In basic skills, American students start out equal to or ahead of students of the country's main trading partners, and steadily decline the longer they stay in school.

When in the late 1950s the Soviet Union put a rocket in space ahead of the United States, and in the 1970s and 1980s Japanese cars and computers were leaving U.S. products behind, the gaps in students' mathematics and science scores were used as damning evidence of an imminent national decline and a reason for spending money to improve schools. But today Asian and European educators are coming for visits to see what they might learn from the American system.

Howard Gardner, a professor of education at Harvard University, said the United States was "a country of infinite second chances."

"There are a thousand ways to bounce back," he added. "What harms you in other countries is the straight and narrow path you have to follow. If you fall off, it is very hard to get back on. Here it is a more chaotic system. But the world economy is more chaotic. So that's good."

With technology changing so rapidly, U.S. corporations are investing billions in on-the-job training at hundreds of so-called corporate universities. Such training focuses the mind on specific tasks in ways that some analysts say can be more effective than traditional schooling.

Of course, despite all the talk of creative genius, a number of less radical explanations for the poor 12th-grade results and simultaneously booming economy are also being offered. Most experts argue that American universities most likely make up for many failings of high schools.

White House Turns Up The Pressure on Starr

3 Republican Senators Also Question Tactics

By Howard Kurtz
Washington Post Service

WASHINGTON — A top White House official has urged Kenneth Starr, the independent counsel, to end his Whitewater investigation, and a Democratic senator has called for his resignation, while three Republican senators expressed guarded criticism of his recent tactics.

Rahm Emanuel, the senior White House adviser, said on a television program Sunday that both he and President Bill Clinton believed that after a 4½-year, \$40 million investigation, it is time for Mr. Starr to "acknowledge that he has a dead end and wrap up that investigation."

Mr. Emanuel also said that "Ken Starr has shown a willingness to use the grand jury to silence his critics."

"This is a partisan political pursuit of the president," he charged.

But Mr. Emanuel stopped short of urging Mr. Starr to resign, saying in response to a question: "Politically, that's ridiculous for us to say."

Senator Patrick Leahy, Democrat of Vermont, was asked on another television program if Mr. Starr should step down.

"Sure he should," Mr. Leahy said, adding: "Kenneth Starr has gotten totally out of control. He has this fixation of trying to topple the president of the United States. He's doing everything possible to do it."

In a further sign of the sharp public focus on Mr. Starr's aggressive approach, three Republican senators, while generally supporting the counsel, said he had erred in forcing Sidney Blumenthal, a White House aide, to testify before a grand jury last week about his criticism of the prosecutor's office and his contacts with reporters.

"I think that Ken Starr made a mistake on that," Senator Arlen Specter, Republican of Pennsylvania, said. "I think emotions ran a little too high."

Senator John McCain, Republican of Arizona, said on a television program that "calling Mr. Blumenthal before the grand jury was a mistake."

"Somehow it managed to turn this guy into an admirable person," he said, "which is remarkable."

The chairman of the Senate Judiciary Committee, Orrin Hatch, Republican of Utah, said that Mr. Starr was legally within his rights to subpoena Mr. Blumenthal in an inquiry into possible obstruction of justice. But, he added, "It was probably politically inadvisable."

Mr. Emanuel's comments appeared to represent an escalation of the White House attacks on Mr. Starr. In a subsequent interview, he said that the White-water investigation was "off track."

"What is it he can't figure out about a 24-year-old real estate deal?" he asked. "All we have seen is an escalation and expansion of the investigation with no conclusion of any of the pieces."

But Mr. Emanuel said his call for Mr. Starr to finish his work applied only to the investigation of the Arkansas land venture called Whitewater.

"I don't think after six weeks anyone's saying he should wrap up the Monica Lewinsky investigation," he said.

Since January, Mr. Starr has been investigating whether Mr. Clinton had a sexual relationship with Ms. Lewinsky, a former White House intern, and urged

her to lie about it.

The widespread criticism of Mr. Starr for forcing Mr. Blumenthal to appear before a grand jury Thursday gave the White House an opening it exploited in coordinated fashion Sunday on the talk shows.

Paul Begala, a White House adviser, said, alluding to Mr. Blumenthal's legal fees, that "Sidney and his family were fined \$10,000 for the crime of criticizing Ken Starr."

"And I think that's a chilling, chilling thing," he said.

Lanny Davis, a former White House special counsel, spoke of "putting a \$10,000 tax on his family with legal fees and asking him to disclose whom he talks to in the press."

■ Criticism in the Ranks

Even some of Mr. Starr's deputies are questioning the wisdom of some of his recent moves. The New York Times reported from Washington.

"We're getting creamed," a top deputy to Mr. Starr said.

Several members of the counsel's team acknowledged privately that his office had made strategic miscalculations that handed the White House additional ammunition to attack the independent counsel and to raise questions about the fairness of his investigation.

Investing Social Security In Stocks Gains Currency

By Richard W. Stevenson
New York Times Service

WASHINGTON — As the United States begins debating how to shore up Social Security for the baby-boom generation, advocates of fundamentally changing the system are honing their argument to a single theme: that as an investment, Social Security is a bad deal.

Conservative groups, Wall Street executives, members of both political parties in Congress and other proponents of turning Social Security into a vehicle for investing in stocks and bonds are attacking the current system with research showing that many people will receive little more in retirement benefits than they contribute through payroll taxes.

Younger people, especially, will get a bad deal relative to people born longer ago, the critics said.

The results, they said, are particularly striking when the system's payoff is compared with the much higher rates of return available in the stock and bond markets. Allowing part of Social Security taxes to be invested in such areas would allow even low-income workers to accumulate significant wealth in their working lives, the critics contend.

"The only way to save Social Security for the long term, meaning 50 years from now, is to transform the program so that it can become a source of wealth," said Senator Bob Kerrey, Democrat of Nebraska, who favors using part of the payroll tax to finance personal retire-

ment accounts for every worker.

President Bill Clinton has called for Congress and the White House to find a bipartisan solution next year to the looming financial problems of Social Security. The possible solutions include raising taxes, cutting benefits, increasing the retirement age, dedicating federal budget surpluses to the problem and turning Social Security into a more investment-based program.

Relatively few Democrats have publicly endorsed any shift toward a more investment-oriented approach, and many liberals oppose the idea, as do politically powerful advocacy groups for the elderly. Mr. Clinton has not announced a position.

But the idea is winning widespread support among Republicans. Some like Representative Mark Sanford of South Carolina and Nick Smith of Michigan are sponsoring plans that would gradually replace the longtime system with private accounts. Others like Senator Judd Gregg of New Hampshire advocate using part of payroll taxes to finance private investment accounts while maintaining a reduced but guaranteed Social Security benefit as a safety net.

Social Security now has more than enough money to pay today's retirees and other beneficiaries. But it will be increasingly pressed as the 76 million people born in the 20 years after World War II begin retiring in droves around 2010. Unless changes are made, the system, experts say, will become insolvent around 2029, able to pay only 75 percent of promised benefits.

In an And-Anand-Kasparov game from the Intel Quickplay Grand Prix, Paris 1995, the bishop sacrifice with 9...h6 10 h4! was accepted, after 10...Nd4 11 Qd4, by 11...hg and after 12 hg Ng4 13 Be2 e5 14 Qg1 e7 15 Bg4 Bg4 16 Qh2 f5 17 Qh7 K77 18 Rh6 Bg5, Anand could have had a perpetual-check draw with 19 Qg6 Kg8 20 Qb7 and so on. He did not take it and lost.

With 12 h4, Nijboer gave the thematic bishop sacrifice another whirl, but one of its drawbacks showed up here: Anand didn't take it until he got more development.

Finally, he found the right time for 16...hg1, when he could smash 17 ef Bf6

ANAND/BLACK

Position after 17 hg

NIBJOER/WHITE

Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg



Vernon Jordan Jr., a prominent Clinton friend and adviser, leaving his home in Washington on Monday, a day before he was scheduled to go before a grand jury to tell what he knows about the Lewinsky allegations.

Away From Politics

• After three and a half months in a hospital in Des Moines, Iowa, the last two of the McCaughey septuplets have gone home to join their large family and the 60 volunteers who help take care of them in the McCaugheys' three-bedroom house.

• An armored car driver suspected of taking \$15 million from his offices has been captured after a five-month manhunt, a company official said in Charlotte, North Carolina. Surveillance tapes and photographs showed a man who the FBI believes is David Scon Ghantt taking bags of money and putting them onto a cart in the company's vault. Other surveillance videotape

showed the man loading the bags into a company van.

• The Supreme Court has allowed random drug testing of some federal employees at the Old Executive Office Building, next door to the White House. The justices let stand a ruling that said the tests were justified to protect the president and the vice president.

BOOKS

BRINGING OUT THE DEAD

By Joe Connelly, 271 pages, \$23. Knopf.

Reviewed by James Polk

THE Manhattan neighborhood of Hell's Kitchen is a war zone. On the city's unforgiving nighttime avenues and back alleys, "the army of midtown crazies who walk the streets in survival gear while muttering to friends in hell" is locked in mortal combat with other assorted bits of municipal detritus for high stakes but to scant purpose. Keeping track of the carnage and sweeping bodies from the sidewalks is the job of a frayed crew of cops, emergency room workers at Our Lady of Mercy (otherwise known as "Miser"), and, at the very front of

the front lines, the shell-shocked medics of the Emergency Medical Service.

The novel "Bringing Out the Dead" is the first-person story of one of these last, a burned-out veteran of the urban battlefield named Frank Pierce, a man so haunted by his failures that he sees himself as "a mass of shoddy wiring, sparks flying, a flash fire waiting to happen." Nicknamed "Father Frank" by an early partner because of his initial enthusiasm "to drive fast and save lives," Pierce is now pained beyond cynicism, going through the motions as he sinks ever deeper into his pit of ugly memories. He is a man driven, no longer by a sense of mission but by a sense of despair.

The one horror that dominates is Rose, a young asthmatic who died

when the hung-over Frank Pierce failed to get a tube into her lungs to help her breathe, she now stalks his every thought, emerging from the shadows of his guilt again and again in her yellow raincoat to accuse and condemn. From Rose, and from the memory of Rose, there can be no escape.

On top of that psychic curse are the physical recurrences of Mr. Burke. Revived once already by Pierce and his partner after a cardiac arrest, Burke becomes a fixture in the emergency room where the medics re-encounter him whenever they bring another crumbling life into misery. Never conscious, breathing irregularly, indistinctly pulling IV tubes from his arms, his heart frequently stopping, Burke eventually causes Pierce to wonder: Is he fighting to live, or is he fighting to die? This is a dangerous question for one whose business is pulling the dying back toward life; it also becomes the novel's central issue.

When he asks it, Pierce's career as a lifesaver is probably doomed. Because he has asked it, the lingering, of Burke and the ghostly presence of the lost Rose only hasten what the nightly grind of the mean streets has made inevitable. Eventually, to EMS workers like Pierce, none of what they do makes any difference either to the functioning of the city or to the destinies of its citizens.

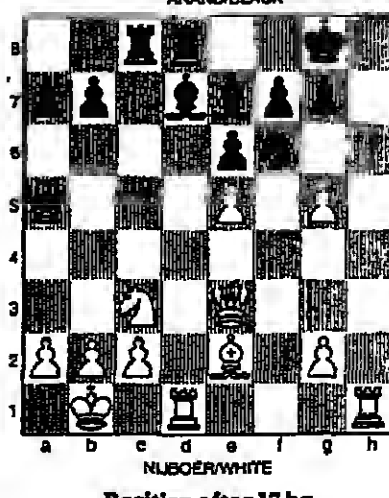
And also like Pierce, many of them come to see that their job is "less about saving lives than about bearing witness." But witness to what? The ambulances, coerced from rescues of such regulars as Noel and "Mr. Oh" for the sole purpose of rescuing them again one or two nights later — to saving the junkies brought joltingly back to life with injections of Narcan — just so they can OD again. Where is there purpose in that?

Given the wasted lives and wasted landscapes he describes, it makes sense that Joe Connelly tells the story of his blasted protagonist as what amounts to a war novel. Although there are no trenches or foxholes, no tanks or howitzers, fighting for the night is as vicious, as unrelenting and as soul-destroying as any battlefield. And the battle fatigue is just as real, too. The death and dehumanization that are parts of the nightly routine of the EMS workers thrust a group of otherwise dissimilar individuals into a comradeship every bit as intense and desperate as that of combat soldiers.

Himself nearly 10 years a paramedic in New York, the author weaves his way through his first novel with absolute confidence and an assured style that is at once immediate and reflective.

At times, particularly near the end, the plot may seem a little pat and a little rushed, as if the events don't come naturally anymore but are positioned to make the narrative turn out the way it does. Still, such quibbles are minor. What counts is that "Bringing Out the Dead" is written with a richness and a closeness to the world it describes that makes it a powerful achievement.

James Polk, a critic who lives in Woodstock, New York, wrote this for The Washington Post.



Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg

Position after 17 hg

Republicans Try Broader Appeal

BILOXI, Mississippi — Southern Republican leaders have signaled their anxiety over the weakness of the party among women and blacks by casting straw ballots in favor of Representative J.C. Watts of Oklahoma and Elizabeth Hanford Dole for vice president in 2000.

In a survey of 1,106 delegates attending the biennial Southern Republican Leadership Conference here that asked, "Who is your first choice for the vice presidential nomination?" Mr. Watts, the only black Republican member of the House, led the field with 26 percent. He was followed by Mrs. Dole, former secretary of labor and transportation during the Reagan and Bush presidencies, who received 16 percent.

A plurality of delegates, 18 percent, selected Governor George Bush of Texas as their first choice for the party's presidential nominee in 2000.

Michael Retzer, chairman of the Mississippi Republican Party, said the vice presidential ballot results reflected an acknowledgment by delegates that the party should build support among women and blacks.

Senate Faces Public Works Test

WASHINGTON — In the first major test of whether

Congress will abide by the self-imposed austerity of last year's budget agreement, the Senate is taking up one of the biggest public works bills in U.S. history, a multi-year plan laden with big-ticket highway and transit projects that are dear to every lawmaker's heart.

The measure, scheduled to come up for debate on Monday, calls for spending at least \$181 billion, and possibly much more, over six years on virtually every type of land transportation project, from roads to bridges to subways to bike paths.

Every congressional district in the country stands to gain something from the measure, but the big question will be which ones gain the most. Regional alliances have formed, pitting senators from the Northeast and parts of the West, whose states benefit most from current transportation policies, against Southerners, who want to revamp the entire system to send more money their way. But deficit hawks will fight to hold down the spending.

(NYT)

Quote/Unquote

Marlin Fitzwater, former White House press secretary, on the impact of the Lewinsky investigation on President Bill Clinton's staff: "I think it has a terrible impact on morale because every member of the staff, first of all, is fearful for the president. And second, they're fearful for themselves."

(AP)

WASHINGTON — In the first major test of whether

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EUROPE

Serbia Tries to Stamp Out an Ethnic Albanian Rebellion in Kosovo

By Chris Hedges
New York Times Service

IN THE CICAICA MOUNTAINS, Serbia — A half dozen heavily armed rebels who had taken cover in a cove of trees to evade a Serbian attack helicopter scanned the bleak, moonlit horizon and set out swiftly toward the foothills of the Cicaica Mountains.

Wearing camouflage uniforms and weighted down with AK-47 assault rifles and ammunition-packed vests, the rebels said little as they moved through darkened farm villages, their boots leaving waffle imprints in the snow and mud.

The guerrillas were members of the Kosovo Liberation Army, which is fighting to create an independent state for the ethnic Albanians who make up 90 percent of the population here in southern Serbia. And this trek on a February night marked the first time the group had allowed a reporter to accompany one of its armed units deep into its mountain redoubts to meet its commanders.

The growth of the rebel movement, which has carried out a string of bold attacks in the last few months, has

alarmed many Western diplomats, who fear the prospect of a wider conflict.

Until 1989, Kosovo was an autonomous province of Yugoslavia. But in that year the largely Muslim and Albanian-speaking region was absorbed by Serbia, which with Montenegro is all that remains of Yugoslavia after the secessionist wars of 1991-95.

Diplomats are concerned now that rising violence in Kosovo could trigger the kind of brutality carried out by the Serbian military in the conflicts in Croatia and Bosnia-Herzegovina, and engulf restive ethnic Albanians in neighboring Macedonia.

Compounding their concerns, the Albanian government has warned, without elaborating, that it would be forced to "act as one nation" should outright war erupt in Kosovo between the Serbs and the ethnic Albanians.

The Serbian government has combined police and paramilitary units from the Ministry of Interior in recent weeks in stage the fiercest counterinsurgency campaign to date to crush the rebel force.

Many Serbs have begun to send their families out of the region. The postal

authorities have halted service to 33 towns where the rebels operate. Serbian enclaves and towns have set up barricades with armed guards at night. Police checkpoints are now placed behind sandbags and protected by snipers on the roofs of nearby buildings. Nearly all police officers carry assault rifles and wear bulletproof vests.

"We are constantly on the move," said a guerrilla known as Tomor, who like all the rebels wore a patch on his sleeve bearing the black double-headed eagle of Albania. "The Serbs come in with helicopters and armored personnel carriers, but they cannot find us. These are our hills. The Serbs are foreigners."

"The Serbs move around in force, but they no longer enter these areas in small units," he added. "The police checkpoints on the main roads are abandoned every afternoon because the police know we will attack them at night. The Serbs are losing control in Kosovo. They are lashing out with a fury that will only inflame the war."

The rebels escorting the reporter entered a village, which they asked not be identified, where one of the Lib-

erian Army's senior commanders and his comrades were assembled in a farmhouse at the peak of a windswept hill. When the rebels reached the small stone house, they reported to guards outside and waited several minutes before they were ushered in through a gate in a high wooden fence.

Inside, in a room lit by a single kerosene lamp, the commander, known as Dyll, one of the group's founders, conceded that his forces were feeling increasing pressure from the Serbs.

"The war has entered a new phase," he said. "The Serbs do not yet know how precarious the situation has become. We have organized armed units throughout Kosovo. There are hundreds of us who dominate areas in the countryside where we can train, establish bases and recruit followers."

The Serbs only control the ground they stand on," he continued, "and soon even this ground will be too dangerous for them to occupy."

The armed movement was organized six years ago to fight for independence and closer affiliation with Albania, the guerrillas said. During the 1992-95 conflict in Bosnia, some of its leaders fought

with the Muslim-led forces against the Serbs.

The rebel group carried out its first attack in 1993, but it was not until the middle of last year that it began to mount regular and sustained assaults.

In the last few months the rebels have overrun more than a dozen police stations, carrying away scores of automatic weapons. They have attacked many police patrols and checkpoints and claim responsibility for the assassinations of more than 50 Serbian policemen and officials, as well as of ethnic Albanians suspected of collaborating with the Serbian authorities.

Serbian courts have been meting out draconian sentences to scores of people suspected of belonging to the armed movement, including sentencing 17 ethnic Albanians in December to a total of 180 years in prison. There are now frequent police sweeps, with many of those detained held incommunicado for days. Most of those who are arrested say the Serbian police use crude methods of torture in an attempt to extract information about the rebels.

Benjam Shehu, 38, who works as a laborer in Switzerland, was among those

arrested — when he returned to Kosovo in February to visit his family.

The Serbian authorities say the hundreds of thousands of ethnic Albanians abroad provide money for the rebel movement. They say the rebels find sanctuary in Switzerland as well as Albania, where local lawlessness and official sympathy have permitted hundreds of looted weapons to be smuggled over the border into Kosovo.

There is evidence to support the Serbian charges, including a fund-raising event for the rebels in Brooklyn, New York, on Feb. 11. The event, at an Albanian-American community meeting, netted \$16,000 for rebel representatives who were visiting from Switzerland.

Mr. Shehu, who told his story to a reporter after his return to Switzerland, said the Serbian police had pulled a black hood over his head, handcuffed him and pushed him to the floor of a car.

After five days of questioning and beatings, he said, he signed a prepared confession that he knew about the movement's organization and fund-raising.

"I promised to collaborate with them, and they gave me the name of a police contact," he said. "When I was released, I fled."

The rise of the armed movement, many argue, has overshadowed the non-violent opposition to Serbian domination, involving particularly the parallel government set up by Ibrahim Rugova and his Albanian Democratic League of Kosovo.

Mr. Rugova, while also calling for an independent state, has condemned the use of force, and since 1989, when Belgrade revoked Kosovo's status as an autonomous province, he has led a movement that has seen most ethnic Albanians boycott state institutions and organize their own schools and community services.

Although few Serbs remain in Kosovo, the region is historically and culturally important to them. It was here in 1389 that Serbian knights were defeated by the conquering Ottoman Turks. The Serbs preserved the myth of this noble sacrifice for five centuries of Turkish rule.

It was on the same battlefield in 1987 that Slobodan Milosevic, then an ambitious Communist Party leader and now president of Yugoslavia, told a roaring crowd, "Never again will anyone defeat you." His speech marked the Serbian revolt against the Yugoslav federation and the nationalist wars that followed.

With peaceful resistance having failed to prod Serbian officials to grant greater autonomy, ethnic Albanians say the only way to achieve their goal is through violence.



Ethnic Albanians braving water cannon fired by Serbian police in Pristina, capital of Kosovo Province, on Monday.

KOSOVO: Serbian Police Attack Ethnic Albanian Demonstrators

Continued from Page 1

Koba Ditor, was attacked by the police in a separate assault outside Pristina's radio station. Several Western reporters were also beaten by the police squads.

"Milosevic has created a situation where there is no political response, where he does not know what to do next," Mr. Suroi said in his ransacked office.

"He responded this weekend to the ambush on his police officers by the Kosovo Liberation Army with enormous violence," Mr. Suroi continued. "There were at least 20 executions of unarmed civilians. We fear we do not yet know the final number of victims. Reports say there may be some 10 more dead. In the face of today's nonviolent protests he sent his police in to beat us. I fear that this may now unleash a cycle of violence by both sides that could spread throughout Kosovo."

There were reports that a wide police

sweep to track down members of the rebel movement outside Pristina was entering its third day. Roads outside the city were closed to reporters by police roadblocks, but those traveling into Pristina said that special paramilitary troops had surrounded the area of Vranjic after a series of shots were exchanged.

The killing of the 20 people over the weekend began when the Kosovo Liberation Army militants ambushed a Serbian police patrol, killing four officers.

The police called in massive numbers of reinforcements and paramilitary units to track down the assailants. Most of those who died, human rights officials said, were civilians shot by enraged police moving through the area where the guerrillas are said to operate.

Mr. Milosevic's government warned the West that the trouble in Kosovo was "an internal affair," and the defense minister, Pavle Bulatovic, told the federal Parliament on Monday that "there could

be no talks with terrorists in Kosovo."

Ethnic Albanian political leaders, who have led a campaign of civil disobedience to win back the autonomy Mr. Milosevic revoked in 1989, have seen an erosion of support since the emergence of the rebel force. A series of daring attacks on police stations and patrols have won the group, which calls for an independent Kosovo, widespread support and has undermined the efforts by leading politicians to keep the protest movement nonviolent.

The attacks, however, have also permitted Belgrade to justify its mounting repression in the province. Western diplomats fear that it could see Serbian forces begin the kind of wholesale attacks on civilians that occurred during the war in Croatia and Bosnia-Herzegovina.

"These attacks may be used by Milosevic as a green light to begin wholly unacceptable repression in Kosovo," a Western diplomat said.

BRIEFLY

Eruption Warning For Mount Etna

CATANIA, Italy — Mount Etna, the Sicilian volcano that last blew in 1991, could be on the brink of another eruption, a top Italian government expert warned Monday.

"An eruption by Etna could take place in a very short while," said Franco Barberi, a volcanologist who is the secretary of state in charge of civil protection, renewing an alert he made last month.

While activity in the crater was normal, he said he was concerned about "an obvious transfer of lava towards the surface."

Another Italian volcanologist, Letterio Villari, said last month that the volcano had registered within a 48-hour period 140 tremors, which were accompanied by small eruptions of lava. The activity forced authorities to evacuate residents from the surrounding area. (AFP)

Haider Blasts Plan For EU Expansion

VIENNA — Joerg Haider, the Austrian far-right leader, warned Monday that the European Union's eastward expansion could bring a "violent wave" of immigrants into his country.

Mr. Haider said the expansion of the EU, which will begin talks next month with Austria's neighbors Hungary, the Czech Republic and Slovenia among others, would threaten jobs and salaries.

The enlargement could bring "a violent wave of immigration, of 300,000 people or more," said the leader of the far-right Freedom Party.

Mr. Haider confirmed that he would not be running in the presidential elections in April, as his party focused on legislative elections set for next year. (AFP)

Strikes in Germany

FRANKFURT — Trash went uncollected and buses and trains languished in their depots in many German towns and cities Monday as warning strikes by 30,000 public-sector workers hit services across the country.

The strikes were aimed at putting pressure on the government one day before pay talks for around 3.2 million public-sector workers were due to enter their fourth round.

Workers are angry at the federal government for not meeting their demands for a 4.5 percent overall wage increase and for seeking to cut sick pay and pension benefits.

The strikes are expected to continue Tuesday, when public sector unions expect 80,000 staff to stop working. (Reuters)

Italy's National Alliance Aims for the Mainstream

Former Neo-Fascists Seek Cleaner Image

By Celestine Bohlen
New York Times Service

VERONA, Italy — The hard-right-wing political party in Italy, shedding its last loyalties to a lingering Fascist tradition, emerged from a three-day conference this weekend as the stable, indispensable and increasingly respectable member of the center-right opposition.

Several thousand delegates of the party, the National Alliance, gathered here under the northwestern, if unlikely, symbol of a red-and-black ladybug. They listened to their pragmatic party leader, Gianfranco Fini, 46 — who is being called the "Tony Blair of the Italian right" — declare that the party has completed its break with the past and is ready to embrace a future untainted by old ideological battles.

"The National Alliance has no intention of using the history and the tragedies of the century that is now ending as political weapons," he said.

Oddly enough, it was Mr. Fini, but his centrist ally, Silvio Berlusconi, the magazine and former prime minister, who addressed the conference like a ghostly voice from another era.

He warned about communist tendencies among Italy's governing leftists and distributed 5,000 free copies of the Italian edition — printed by a publishing house that he owns — of a much-discussed French book that presents an exhaustive account of crimes committed under communism.

To some commentators, Mr. Berlusconi's disavowal, aimed mostly at the prosecutors who have targeted him and his businesses in their ongoing corruption investigation, was another sign that he had lost his political touch.

It has been more than three years since Mr. Berlusconi's government was unseated by the defection of a coalition ally, and almost two years since the victory of Italy's governing center-left coalition put him, with Mr. Fini, into the opposition.

Despite the partial reforms enacted after the great corruption scandals of the early 1990s, a 22-month-old government is something of a novelty for Italy. For several months, commentators have been marveling at the rare period of political stability, though critics of Prime Minister Romano Prodi's government have begun to complain that it has already behaving like a "regime."

Now on the verge of winning its hard-fought battle to bring Italy into Europe's planned new common currency, the Prodi government shows no signs that it is ready to topple. Faced with a lull, Italy's political forces have taken the occasion to take stock, and where possible, to regroup.

Two weeks ago, Massimo D'Alema, leader of the Democratic Party of the Left — the moderate heir to the old Communist Party, and the mainstay of the governing coalition — told participants at a conference in Florence of his hopes to unite with other progressive parties in a new party that would drop, once and for all, the old communist symbols. The hammer-and-sickle still has its niche on the party symbol.

For the Italian right, the most unsettling development recently has been the effort by former President Francesco Cossiga to put together a new party at the center of the political spectrum. That is where he and many other former Christian Democrats, nostalgic for the once-governing party that collapsed under the

weight of the corruption scandals, still feel most comfortable.

Already, some members of the center-right alliance — still led by Mr. Berlusconi — have defected to Mr. Cossiga. But for many political analysts, the most puzzling question on the Italian right is the fate of Forza Italia, the political movement Mr. Berlusconi put together, virtually single-handedly and almost overnight, in 1994 to propel the center-right coalition to victory.

Back then, Mr. Berlusconi — a self-made man with a television personality's unstoppable smile — presented himself as the image of success. Now, faced with a calendar of back-to-back court cases, including appeals on one conviction, and a coalition that suffered new defeats in local elections in December, Mr. Berlusconi has an altogether different image.

"Aside from the effects of Cossiga's party, Berlusconi should remove himself from the political scene," said Marcello Venezian, a right-wing political commentator. "His strength was tied to his image as a winner, but for the last three years, he has been losing."

Mr. Fini, who spoke twice to repeated applause at the Verona conference, presented several new themes for his party, continuing an odyssey begun three years ago when he dropped the party's post-Fascist symbols and some of its die-hard supporters. In the last national elections, the National Alliance won almost 16 percent of the vote, not much of a gain on its 1994 performance.

Now, Mr. Fini seems bent on luring new supporters from Italy's northern regions, where the secessionist Northern League has played to dissatisfaction with the inefficiencies, corruption and heavy-handedness of the government in Rome.

"We are at a crossroads now," said Alessandra Mussolini, granddaughter of the Italian Fascist dictator and a frequent critic of the party leadership. "We will either be crushed as a small party of the right, or we will become a political party capable of setting the rules for what's left of the center-right coalition."

Diana's Will Leaves Bulk of Her Fortune to 2 Princes

By Warren Hoge
New York Times Service

LONDON — In a will stressing her concern that the upbringing of her two sons not be restricted to the royal family, Diana, Princess of Wales, has left Prince William and Prince Harry the bulk of her £13 million estate.

The documents were made public Monday in a departure from royal custom that a lawyer, Martyn Gower, said reflected the "great public interest" and a desire that "there was no suggestion at all that anything was being hidden under the carpet."

They showed that inheritance taxes of £8.5 million (\$14 million) had been paid on the £21.7 million gross value of her belongings even though there was a legal way to have avoided them. Lawyers said they decided against pursuing that course for fear it would attract further bad publicity to the monarchy.

In the aftermath of her death in a car crash Aug. 31 in Paris, the British royal

family came under intense public criticism for being insensitive, remote, out of date and too expensive.

Other beneficiaries named Monday were her butler, Paul Burrell, the man she referred to as "my rock," who got £50,000, and her 17 godchildren, all sons and daughters of friends of hers.

Each will receive an heirloom from a private list of belongings compiled and evaluated by Christie's. The gifts, which will not be made public, include a de-antique, a carriage clock, three watercolor paintings, models of a shepherdess and a bird and an Odenby coffee service.

Diana sought to protect her sons from royal isolation with a directive that Prince Charles, their father, include her family in decisions about their futures.

"I express the wish that should I predecease my husband he will consult with my mother with regard to the upbringing, education and welfare of our children," she wrote in the original six-page will, drawn up on June 1, 1993, and signed "Diana" in her thick signature.

At that point, almost 12 years into their marriage, animosity between the princess and her husband was high. They were divorced on Aug. 28, 1996.

Although some of the princess's informal parenting style has noticeably been incorporated into the boys' life with their father since her death, in 1993 the prince's approach was rigid and rooted in tradition, allowing them scant opportunity for any normal adolescence.

At her funeral, her brother, Earl Spencer, memorably pledged "that we, your blood family, will do all we can to continue the imaginative way in which you were steering these two exceptional young men so that their souls are not simply immersed by duty and tradition but can sing as openly as you planned."

The total amount of the approximately £13 million estate will be shared equally by the two princes, William, 15, and Harry, 13, even though William is in line to inherit the throne. Income can be

paid to them at the discretion of the trustees until they are 25, when they each are entitled to the whole of their income. At age 30 they can ask for their share of the capital in full.

Diana's estate included stocks, jewelry, cash — mostly from her £17 million divorce settlement — dresses and other possessions at Kensington Palace, her London residence.

Details were added posthumously to her will at the request of her lawyers and the Prince of Wales and under court supervision in December.

"The variations were to allow certain assets comprised in the estate to be utilized for charitable purposes, for example items from her wardrobe and the intellectual property rights," said Mr. Gower, senior partner at the London law firm Lawrence Graham.

These rights include copyright, trademarks and resulting royalties from the authorized commercial use of her picture or name. The proceeds are to go to charity or for the benefit of the princes.

The will was made available at 11 divisions of the probate court across the country. The six-page version goes for 75 pence and the entire 35-page will for £9. Like everything associated with the princess, demand is high.

Al Fayed Out on Bail

Mohamed al Fayed, whose son was killed with Diana, was arrested and released on bail Monday after answering police questions about alleged theft and criminal damage, Agence France-Presse reported from London.

A spokesman for the owner of Harrods said that he went to a London police station voluntarily.

The questioning was believed to be in connection with charges by Mr. al Fayed's longtime opponent, the tycoon Tiny Rowland, that safe deposit boxes in Harrods had been tampered with.

The two men have been battling since Mr. al Fayed's takeover of Harrods in 1985 after a bitter fight with Mr. Rowland.

Chief of Russia's Nuclear Programs Steps Aside

By David Hoffman
Washington Post Service

MOSCOW — The minister who oversaw Russia's vast archipelago of civilian and military atomic energy facilities — and who aggressively sought to export the nation's nuclear know-how abroad — has resigned, officials said Monday.

As minister of atomic energy, Viktor Mikhailov directed a far-flung, state-owned empire that included the two nuclear-weapons design laboratories known as Azzamas-16 and Chelyabinsk-70. They sit in a web of once "closed" cities from the Soviet era that created, manufactured, preserved and eventually disassembled nuclear warheads. In recent years, the closed cities, many of

which are still off-limits to outsiders, have fallen on hard times.

Information about Mr. Mikhailov's departure was sketchy. The Interfax news agency quoted officials as saying he had submitted his resignation. A source outside the government, meanwhile, confirmed Mr. Mikhailov's departure and said it appeared to be the result of a power struggle between Mr. Mikhailov and the two reformist first deputy prime ministers, Boris Nemtsov and Anatoli Chubais.

The source said a battle had been brewing for months between Mr. Mikhailov, 64, who sought independent sources of profit to finance his complex, and the deputy prime ministers, who wanted to rein him in.

The source said there had also been a conflict over a plan by some of the closed cities to give big companies special tax privileges. The newspaper Izvestia reported that the plan had attracted some large overseas companies as well as Gazprom, the huge natural gas monopoly here. The source said the reformers had opposed the tax breaks.

The nuclear weapons centers had resorted to other methods to raise money in the past, including loans from private banks. In October 1996, the director of the Chelyabinsk-70 weapons laboratory committed suicide as his lab's debts loomed.

Mr. Mikhailov said at a press conference last week that 1997 "was the worst ever in terms of financing."

INTERNATIONAL

UN Council Near Accord On Baghdad

Draft Says Use of Force Requires Prior Approval

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — The Security Council was ready to adopt a resolution Monday warning Iraq of "severe consequences" if it again barred UN weapons inspectors from suspect sites, council members said.

The draft, jointly sponsored by Britain and Japan, has been amended to meet concerns expressed by France, Russia, China and other council members that any resort to force would first require council approval.

The British envoy to the UN, John Weston, said the resolution would very likely be adopted later Monday.

The resolution also endorses the agreement that the UN secretary-general, Kofi Annan, brought back from Baghdad a week ago providing access to presidential sites that had previously been barred to UN weapons inspectors.

A diplomat said the British and U.S. envoys had told their colleagues that the resolution did not have "automaticity" — meaning further council approval would be required for any military action.

The White House, meanwhile, rejected Iraq's assertion that UN weapons inspections cannot go on indefinitely.

"I would disregard what the government of Iraq has to say when they're in spin mode," said the White House press secretary, Michael McCurry.

The Iraqi envoy to the UN, Nizar Hamdoun, acknowledged in a CNN interview that Baghdad's agreement with the UN contained no time limit for inspections of eight presidential compounds.

"But I think that all the understanding was it should be within a reasonable time," Mr. Hamdoun said. "I mean, this process cannot continue forever."

(Reuters, AP)

Verbal Clash Over the Rules

Judith Miller of The New York Times reported earlier.

Mr. Hamdoun and Richard Butler, the chief UN arms inspector, have disagreed sharply about a critical part of the arms inspection pact reached last week that helped avert U.S. air strikes on Iraq.

In a CNN interview, Mr. Hamdoun asserted that Iraq expected the inspection teams at eight presidential sites to be subordinate to diplomats appointed by Mr. Annan.

The statement elicited a retort from Mr. Butler, chairman of the UN Special Commission responsible for inspecting and dismantling Iraq. On the same program, Mr. Butler declared that the agreement gave him overall responsibility for the new monitoring arrangements.

UN officials said it was too early to tell whether Mr. Hamdoun had been merely trying to insist on the interpretation of the new agreement that would be most favorable to Iraq, or had been instructed to challenge what U.S. officials consider a key section of the new accord.

But the exchange led some UN officials to question whether Iraq was starting to retreat from the agreement. The procedures for carrying out the accord have yet to be completed.

Others urged patience. "Let's just wait until the agreement is tested," said Fred Eckhart, spokesman for Mr. Annan.

That may come within a week, according to UN officials. They said that Mr. Butler, with Gary Dillon, a representative of the International Atomic Energy Agency, and Jayantha Dhanapala, the Sri Lankan who was appointed head of the new special group to conduct inspections of the eight presidential sites, had drawn up draft regulations to carry out the agreement. These rules are being considered by Mr. Annan.

The exchange Sunday suggests that Iraq is likely to contest regulations giving the experts of Mr. Butler's special commission, known as UNSCOM, a leading role in the monitoring of sites that Iraq says are vital to its sovereignty.

The question is whether the diplomats or the technical experts are in charge. Mr. Hamdoun said that Iraq expected Mr. Annan, not Mr. Butler, to be in charge of inspections at the eight sites. When the CNN correspondent challenged this, Mr. Hamdoun replied, "Well, it depends on how you see it."

Mr. Butler said the Iraqi envoy's answer "troubles me slightly because actually it doesn't depend on how you see it." It was "perfectly clear," Mr. Butler said, that he would be in charge.



Foreign Minister Faris Bouez of Lebanon on Monday rejecting any compromise on UN Resolution 425.

Israel Seeks Deal to Quit Lebanon Buffer Zone

By Joel Greenberg
New York Times Service

JERUSALEM — Sending out diplomatic feelers to end an increasingly costly military involvement in southern Lebanon, Prime Minister Benjamin Netanyahu has indicated a readiness to comply with a United Nations resolution calling on it to withdraw, if Lebanon cooperated in ensuring security along the border.

Mr. Netanyahu's statement at a weekly cabinet meeting couched long-standing Israeli policy in new diplomatic terms. He referred explicitly to UN Security Council Resolution 425, which has been a basis for demands by Lebanon and its patron, Syria, for an unconditional Israeli withdrawal.

But the Lebanese government reiterated Monday that it will not negotiate over the resolution. "No one, including Lebanon, is allowed to reconsider or interpret Resolution 425 in any way," Foreign Minister Faris Bouez said in Beirut.

Mr. Netanyahu's signal, echoed by Defense Minister Yitzhak Mordechai, came during renewed debate in Israel over whether it should pull out of Lebanon. Attention was focused on the issue following the deaths of three soldiers

Netanyahu Wants Beirut To Guarantee Security

killed there last Thursday by a shell fired by Hezbollah guerrillas.

Israel has occupied parts of southern Lebanon since 1978, holding a 15-kilometer (nine-mile) strip of territory since 1985 as a buffer against guerrilla attacks on northern Israel. But Israeli casualties there have been mounting in daily skirmishes with Hezbollah, which is fighting to oust the 1,500 Israeli soldiers and their local Christian militia ally, the South Lebanon Army.

The latest losses revived calls in Israel for an unconditional withdrawal. Four Israeli soldiers have been killed in southern Lebanon this year, and 39 died there in 1997, the highest single-year toll since the zone was established.

"There is no policy of unilateral withdrawal, because in our assessment that would increase Hezbollah attacks into the Galilee," Mr. Netanyahu was quoted as saying in a cabinet statement. "If the government of Lebanon will join us in establishing the proper security arrangements in southern Lebanon, we will be happy to

get out of Lebanon in the framework of implementing UN Resolution 425."

The resolution was passed March 19, 1978, during the Israeli invasion of southern Lebanon. The council called on Israel to "withdraw forthwith its forces from all Lebanese territory."

Although the Israeli statements Sunday were similar to offers in the past that have been rejected by Lebanon and Syria, officials said they signaled a departure from previous demands for third-party involvement in a withdrawal arrangement and a willingness to work out a security deal separate from an overall peace agreement.

Israelis Look to Europe for Help

Israel is seeking help from the European community, especially France, to negotiate security arrangements that would allow Israeli troops to leave Lebanon, The Associated Press reported officials in Jerusalem as saying Monday.

On Sunday, the Israeli cabinet secretary, Danny Naveh, and Mr. Netanyahu's political adviser, Uzi Arad, went to France to enlist Paris's help. And the Foreign Ministry has instructed Israeli embassies to win the backing of European countries for the Israeli initiative, said the ministry's spokesman, Haim Koren.

GERMANY: In This Battle of Appearances, Expect the Candidates to Shun Risky Issues

Continued from Page 1

instincts are great, favoring the experience of Mr. Kohl. Yet above all else, the election asks if Germany has not had enough of the reunification chancellor, enough of an approach and a style that may not work anymore. And it is at this point that Mr. Schröder's comfortable manner, his appearance of substance, his approximate allegiance to the center — "modern economics with social responsibility" — makes him a very convincing candidate and a very conceivable winner.

On a European grid going back 50 years, the election presents the unusual situation of a leader who has already won historical recognition facing a challenge, and potential repudiation, in a direct vote. Since Winston Churchill, Mr. Kohl's contemporaries in achievement in Western Europe — Konrad Adenauer, Charles de Gaulle, Margaret Thatcher, Willy Brandt, Helmut Schmidt, Francois Mitterrand — all departed in ways that did not involve their defeat as candidates in national elections.

The high drama fits in here: a 68-year-old man defending a remarkable political lifetime against a challenger 15 years younger than himself who says the chancellor's time is up. In this respect, the election probably promises a more

compelling confrontation than any in Europe since the ideologically charged presidential election in France in 1981 when Mr. Mitterrand, a Socialist, defeated the conservative incumbent, Valéry Giscard d'Estaing.

As much as Mr. Giscard d'Estaing and Mr. Mitterrand were similar in their desire to portray themselves as men of intellect, vision, and decisiveness, Mr. Kohl and Mr. Schröder share a willingness to be seen as realists, men with literally broad shoulders and big appetites, at ease in being German, eager to be accepted as politicians who talk from the heart.

To win, Mr. Kohl will have to focus attention on the risks he insists Germany faces, his personal reservoir of respect and power in Europe, and the uncertainties he says Mr. Schröder represents. With record postwar unemployment rates and aborted reform programs, the chancellor cannot win on statements of his accomplishments, but on the assertion Germany has no better man to its run affairs during a period when it will trade in the Deutsche mark for the common European currency, and surrender its dominant monetary role in Europe to the fuzzy authority of the European Union.

The chancellor will contrast himself with an opponent who has no European or wider international experience, and

who held Euro-skeptical opinions until modulating them barely six months ago, or anti-American positions — now abandoned — through the Gulf War.

Mr. Kohl will also point out to the electorate the potential incompatibility of an alliance between the Social Democrats and the Greens, with their grab bag of opinions, in offering a coherent German European and foreign policy to the country's neighbors and allies. In most political scenarios, a coalition between the two parties would be necessary if Mr. Schröder, even as top vote-getter, is to take office.

The irony in this approach for Mr. Kohl is that his insistence on presenting himself and his party as the safe choice clashes with the now-dominant notion of insecurity about jobs, the future and social protection that has developed among voters during his last term. This makes it more difficult for the chancellor to stress how public debt has grown in Mr. Schröder's Lower Saxony from 40 million DM to 65 million DM (\$22 million to \$36 million) since 1990, how Lower Saxony's unemployment rate of 12.6 is above the average of most of the western German states, and how the Social Democrat has kept industry at home with state takeovers and subsidies.

By contrast, Mr. Schröder will eagerly compare himself to Tony Blair

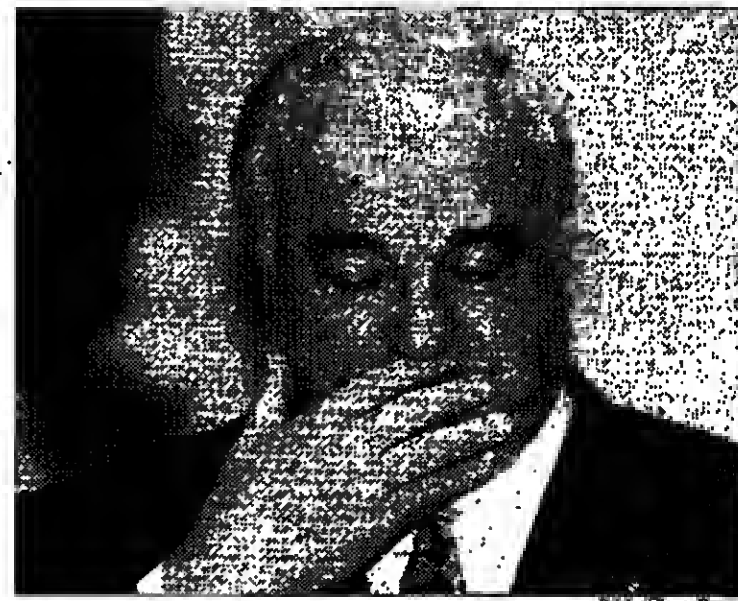
and his notions of restructuring the welfare society within a framework of strong commitment to social justice. In fact, Mr. Schröder is working from a very different basis than the British prime minister. Unlike Mr. Blair, he cannot pocket the social change engineered by Mrs. Thatcher because nothing similar exists in Germany, and he must deal with a potentially recalcitrant party that stands to the left of the image he seeks to project.

If Mr. Schröder resembles another candidate, it is probably the Bill Clinton of 1992 in the diffuse left-of-center tone of his message and in his confidence in characterizing his opponent as a man who served the country well but is now tired, immobile and considerably out of touch.

In accepting the state election victory that meant his nomination, Mr. Schröder was imprecise on policy, but clear on Chancellor Kohl.

In his first public statement, he pointed to Mr. Kohl as a "wounded chancellor" who might, regardless of his party's denials, be replaced as candidate by Wolfgang Schäuble, the parliamentary leader of the Christian Democratic Party.

The approach was moderate, shorn of excess or vituperation, and completely personal. It may very well be Mr. Schröder's winning formula.



Chancellor Helmut Kohl pausing during a press conference Monday, a day after his party's defeat in the Lower Saxony vote.

SPD: Schröder Charts a 'Middle' Path to Power

Continued from Page 1

being contradicted by party leaders who demand sufficient revenues to sustain Germany's generous welfare programs. Mr. Lafontaine blocked government plans for a \$28 billion tax cut last year because he argued it would jeopardize funding for important parts of the nation's social legislation.

Mr. Schröder acknowledged Monday that such differences may not be easy to reconcile. While expressing a common desire that the party "will speak with one voice" in the coming campaign, he said there were "certain differences" that he still must resolve with Mr. Lafontaine.

"You cannot say we have become twins yet," Mr. Schröder said.

Similarly, Mr. Schröder appears cool to the idea of a "Red-Green" coalition even though many Social Democrats favor it. He endured an unhappy alliance with them in Lower Saxony and has ridiculed such Green proposals as abolishing NATO and raising gasoline taxes.

While acknowledging that a governing alliance with the Greens may still be "the most likely constellation" after the September elections, he said it could "fail for political or arithmetic reasons." Ideally, Mr. Schröder said he would like the Social Democrats to be able to govern alone, but he observed "that is not a realistic proposition."

Even though Mr. Kohl is laboring under the handicap of high unemployment and a belief among many voters that he has stayed in power too long, the chancellor insisted that his party's chances still looked good.

Mr. Kohl said at a press conference in Bonn on Monday that he would focus his message on what he perceives as the perilous prospect of a Red-Green coalition and the vague ambiguities in Mr. Schröder's quest to capture the middle ground in politics.

Clearly relishing the opportunity to hit the campaign trail with his target so clearly marked, Mr. Kohl said, "The question we will be asking over the next few weeks and months will be: Herr Schröder, what do you want and what do you stand for?"

SHARES: Faced With Shrinking Government Benefits, Europeans Start Playing the Market

Continued from Page 1

its risk-free stock-buying program, only about half the employees signed up. When the airline repeated the offer last year, almost 60 percent bought in. And two-thirds of those purchased extra shares with an interest-free loan.

Nor are the Lufthansa employees alone. Across Europe, as governments sell off more enterprises, the welfare state is pruned back and economies coalesce. Europeans are having to learn to become shareholders — and, indeed, to think about money in entirely new ways.

The Continent's long march toward a single currency, and the low inflation and tight monetary policy that go with it, have pushed interest rates lower and lower. That steady descent is prompting individuals and families to shift their savings from bonds, insurance policies and bank accounts to common stock and, even more so, to mutual funds.

Stock markets across Europe have been

climbing to record levels. On Monday, key indexes in Paris, Frankfurt and London set records. In Frankfurt, the DAX index rose 0.57 percent, while the Paris CAC-40 rose 0.72 percent and in London the Financial Times-Stock Exchange 100-share index rose 0.92 percent.

Economic change is sculpting something bigger, too: a greater sense among people, be they German or French, Italian or Spanish, that they alone are responsible for their financial security.

"There is an insecurity that the state might no longer guarantee your future," Mr. Ogursky, 29, said. "The state is not yet saying that, but I've got 35 years ahead of me, or longer, and that's why I believe it will get more like in America, that you will have to look after yourself."

The analogy appeals to American investors with the international brokerage, which expect to be among the beneficiaries of this fundamental change in European investor behavior — and are confident that their experience at home gives them

an advantage in what will become, with the arrival of Europe's common currency, a playground rivaling the American marketplace in size.

European and American financial services companies are rapidly digging trenches for the coming fray. In December, Bankers Trust New York Corp. acquired the European equities division of National Westminster Bank of Britain. A month earlier, Merrill Lynch bought one of Europe's largest investment firms, Mercury Asset Management.

Likewise, many of the past year's big Wall Street deals, such as Travelers Group's \$9 billion acquisition of Salomon Brothers, have been undertaken with Europe in mind — driven, at least partly, by a desire to meld the global equity and bond underwriting capacity of one partner with the international retail distribution network of the other.

Insurance companies also are scrambling for position. Last week, Commercial Union, one of Britain's largest insurers, said it would pay \$10.8 billion to acquire General Accident, creating a company that would rank among the top five insurers in Europe. Deregulation of the European life-insurance market and the restructuring of welfare laws played a part in the deal, the companies said.

Another beneficiary is expected to be the U.S. stock market itself. Just as Americans have been urged for years to diversify their stock portfolios by investing internationally, Europeans bit by the investment bug are funneling money into foreign markets, including the United States. According to a report by J.P. Morgan Securities in London, net foreign purchases of American shares in the first half of 1997 totaled \$30.1 billion, more than twice the amount for all of 1996.

Much of that money came from Europe. Of course, the new investor mind-set is hardly universal. Many Europeans remain uncomfortable with the idea of buying financial security for tomorrow by playing the stock market today.

"You have to know the rules of the game," said Massimo Mandorico, 39, who operates a photo agency in Rome. "You have to follow your investments carefully, diversifying as much as pos-

sible. And even then it's not a sure bet. You're still running a risk." When he accumulates capital, he prefers to invest it back in his business.

The virtues of the market also have failed, so far, to penetrate broad swaths of rural and working-class Europe. But even here, change is in the offing. In Italy, for instance, private pension funds are being established for workers in the chemical and metalworking industries to take up the slack left by cutbacks in the government pension system.

Maurizio Benetti, a pension expert at the big CISL labor-union federation, said the resulting increase in familiarity with the stock market was likely to encourage hourly workers to shift savings into stocks from traditional investment vehicles such as real estate or government bonds. Moderates such as Mr. Benetti say employee shareholdings will help shift the balance of power in Italian corporations toward the workers, though leftist unions disagree.

Still, despite the fears and hesitation, what Germans call an *Aktienkultur* and the Italians a *cultura dell'azione* — both of which translate roughly as an "equity culture" — is emerging.

Throughout the region, privatizations of huge state enterprises have planted the seeds. Britain went first, in the early 1980s. The initial sale of British Telecom by the government of Prime Minister Margaret Thatcher created 2.5 million to 3 million shareholders; the sale of British Gas produced 5 million more. Even in France, where politicians have openly sneered at Anglo-Saxon models of free-market capitalism, stock is selling. When France Telecom was sold to the public last year, 3.8 million people bought.

The next big step is expected in 1999, when 11 European nations will scrap their national currencies and replace them with the euro. European investors accustomed to focusing on their national economies and currencies are expected to reach increasingly for Europe-wide opportunities — weighing sectors like pharmaceuticals against automobiles, or pulp and paper against steel — and to look more closely at credit risk.

The economic logic behind it all is

BRIEFLY

Suspect in Israel Offers Compromise

JERUSALEM — An American teenager has agreed to leave Israel to stand trial for murder in the United States if he can serve any prison time in Israel, his lawyer said Monday.

A U.S. prosecutor has said Samuel Sheinbein, 17, is too young to face a death sentence. But his attorney, David Libai, said the youth feared for his life in a U.S. prison.

Mr. Sheinbein fled Maryland in September to avoid trial on charges he murdered and dismembered Alfred Told, 19. The United States has been seeking his extradition since November. Israel says that the youth holds Israeli citizenship, and Israeli law bars extradition of a citizen. (Reuters)

Zimbabwe Vows To Stifle Strike

HARARE, Zimbabwe — Veterans of the war of independence from Britain threatened Monday to attack whites, blaming them for inciting a strike that the government has vowed to quell with police force.

The nation's biggest labor confederation, the Zimbabwe Congress of Trade Unions, has called a strike for Tuesday and Wednesday to protest the economic policies of President Robert Mugabe's government. Labor Minister Florence Chituro declared the strike illegal and said the law required participants in an illegal strike to be fired, state radio reported.

Commerce Minister Nathan Shamuyarira warned that army troops would help police "ensure peace prevails" and that the government would take "drastic and punitive" action against strikers. He also accused the nation's 80,000 whites of backing the strike and of "damaging the economy that sustains them."

Chenjerai Hunzvi, head of the War Veterans' Association, said his members would march to whites' homes in Harare's wealthy northern suburbs, contending that white-owned businesses were supporting the strike to destroy the government.

If the government deploys the army, it would be the second time the military has been used to curb civil unrest since Zimbabwe won independence in 1980. In the previous case, troops quelled food riots in January and at least five people died. (AP)

Swiss to Reopen Algiers Embassy

BERN — Switzerland will reopen its embassy in Algiers, after closing it three and a half years ago, the Foreign Ministry said Monday.

The mission was closed in September 1994 following dozens of attacks on foreigners by Muslim fundamentalists.

The government will dispatch a team of 12 armed security specialists to provide protection for the embassy's staff and the building, officials said.

A Foreign Ministry official said Switzerland needed someone in Algiers to report on what was happening in the country. (AP)

Todd Duncan, the First 'Porgy,' Is Dead at 95

New York Times Service

NEW YORK — Todd Duncan, 95, the baritone who created the role of Porgy in Gershwin's "Porgy and Bess" and was the first black singer to join the New York City Opera, died Saturday in Washington.

Mr. Duncan, whose other stage credits included the Lord's General in "Veron Duke's" "Cabin in the Sky" and Stephen Kumalo in the first production of Kurt Weill's "Lost in the Stars," was known for his elegant phrasing and burnished tone, as well as his dramatic persuasiveness. Those qualities won him his debut role at the New York City Opera in 1945, when he sang Tonio in a production of Leoncavallo's "Pagliacci."

Although he had appeared in New York with black opera companies, starting with a 1934 production of Mascagni's "Cavalleria Rusticana," with

the Aeolian Opera, his City Opera debut made him the first black singer to perform opera with a white cast. That debut occurred 10 years before Marian Anderson made her celebrated debut at the Metropolitan Opera. By then he had also appeared at City Opera as Escamillo in Bizet's "Carmen" and in the title role of Verdi's "Rigoletto."

Mr. Duncan was also a much sought-after recitalist, and often said that recitals interested him more than opera and the theater. In a career that lasted 25 years, he sang 2,000 recitals in 56 countries. He also appeared in two films, "Syncopation" in 1942 and "Unchained" in 1955.

Mr. Duncan appeared in 124 performances of "Porgy" during the premiere run at the Alvin Theater in 1935. He also sang Porgy in revivals in 1937 and 1942, and recorded some of the music, along with songs from "Lost in the Stars,"

Dermot Morgan, 45, Actor Who Played 'Father Ted'

LONDON (AP) — Dermot Morgan, 45, the Irish actor who played the title role in "Father Ted," the hit TV comedy that poked gentle fun at the Roman Catholic Church, died early Sunday.

The silver-haired actor collapsed at his London home on Saturday night and died later at a hospital. News reports said he suffered a heart attack.

Mr. Morgan, who just finished filming the third and last series of the British-made program, said at a recent news conference, "After three series playing this priest, I want to get out of the dog collar."

Lucien Bodard, 84, a French war journalist and novelist who won the Prix Goncourt for "Anne-Marie" in 1981, died of a heart attack Sunday in Paris.

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get out of Lebanon in the framework of implementing UN Resolution 425.

The resolution was passed March 11 during the Israeli invasion of southern Lebanon. The council called on Israel to "withdraw its forces from all Lebanese territory."

Although the Israeli statement was similar to offers in the past, it was rejected by Lebanon and Syria, officials signaled a departure from previous statements and a willingness to work on a deal separate from an overall peace process.

Israel is seeking help from the European Community, especially France, to negotiate arrangements that would allow Israeli forces to leave Lebanon. The Associated Press officials in Jerusalem are saying Monday.

On Sunday, the Israeli cabinet secretary, Danny Navon, and Mr. Netanyahu's adviser, Uri Arad, went to France to seek Paris's help. And the Foreign Ministry instructed Israeli ambassadors to win the best European countries for the Israeli cause, the ministry spokesman, Haim Koren, said.

BRIEFLY

Suspect in Israel Offers Compromise

JERUSALEM — An American teenager has agreed to leave his country in exchange for a pardon for the murder of a young woman in the State of Israel, his lawyer said Monday.

A U.S. prosecutor has said he would not seek a sentence for the teenager, David Liban, said the teenager's life in a U.S. prison.

Mr. Liban, 17, is accused of murdering a young woman, a 19-year-old Israeli citizen, in a crowded public place in Jerusalem last year. The United States has agreed to extradite the teenager to Israel for trial.

Zimbabwe Vows To Stifle Strike

Harare, Zimbabwe — The government has vowed to stifle a strike by police officers, saying it will use force if necessary to maintain law and order.

The strike, which began last week, is the latest in a series of labor disputes in the country. The government has vowed to take action against anyone who incites violence or disrupts public order.

The police officers are demanding better pay and working conditions. The government has offered a 10% wage increase, but the officers say it is not enough.

Swiss to Reopen Algiers Embassy

Geneva, Switzerland — The Swiss government has decided to reopen its embassy in Algiers, which it had closed in 1993.

The decision was announced by the Swiss Foreign Office. It says the reopening is part of a broader effort to improve relations with Algeria.

The embassy was closed in 1993 after a series of incidents that strained Swiss-Algerian relations. The Swiss government has since worked to resolve these issues.

...the money to pay for social services... the government has decided to... the money to pay for social services... the government has decided to...

Style

London Adds Substance to Spectacle



McQueen's Joan of Arc chain-mail knit dress, center, and clockwise from bottom left: Berardi's leather pantsuit; Chalayan's geometric-collared coat; McQueen's python cape-shouldered dress; Smith's moiré fitted coat and pants, and Macdonald's be-feathered textured knit top and skirt.

By Suzy Menkes
International Herald Tribune

LONDON — The hell-fire glow at the end of Alexander McQueen's runway was symbolic. London has become a fashion beacon for the international collections.

For the first time, the shows that ran through last week were not just about wacky ideas and whimsical eccentricity. There was substance — read grown-up clothes — behind the hype. The fashion pros have now decamped to Milan, but there is no longer a sense of moving from the second division to the big league.

London still offered drama and spectacle: McQueen's ode to Joan of Arc, with a model in scarlet sequins trapped in a ring of fire on the asphalt runway; Hussein Chalayan's play on fashion geometry with cut-out clothes and colored cubes; and Julien Macdonald's merry carnival of knits.

But these designers have also mastered technique, making cut, fit and subtle decoration the key to the season. A more baleful trend in London was chaotic scheduling, widely dispersed venues and unacceptably late shows.

After finding fame as an aggressive agent provocateur, McQueen produced a mature and well-focused collection. Looking at the impeccable tailoring, it was hard to believe that a year ago the same designer sent out a cavewoman goat skins in apocalyptic chaos. This season, the Joan of Arc theme was interpreted as a cape shoulder on a fitted coat, triple rows of buttons like a trompe l'oeil military uniform and chain-mail mesh dresses, all in a color palette of steel gray, black and blood red.

"Joan has so many references — she was a powerful woman and that's what I did," said McQueen, who sported the same red-eye contact lenses and albino-bleached hair as the models.

His strong women marched out in pin-striped pantsuits, a sleek jumpsuit with cargo pockets or a corset and long skirt in mixed plaids — all McQueen signatures given a fresh angle. And that is the designer's strength. At 28, he has already established a design identity.

New was the diamond-shaped seaming that fused jackets to the body and

gray denim spliced with red stitching. McQueen also worked fluid draped dresses to show a softer side of his strong woman. Only a photograph of Victorian children seemed less assured.

McQueen's confidence and the refinement of his signature ideas was impressive and suggests that the designer, who has already gone so far so fast, still has a way to go.

There is something noble about Chalayan's uncompromising commitment to his cause, which is to explore volume and space around the human body. As his models walked out against the mirrored room dividers, with colored plastic squares on their lips, their clothes formed a liquid geometry, with arms opening up, capes on shoulders and sweaters cut out in a circle from the armpits. Working with gray, black and occasionally red, Chalayan showed his cutting skills and made the clothes artistic, as when a red thread traced the surface of a dress hem unrolled at the front.

The designer took the open-side theme of a previous collection and made tabards and jumper dresses that were elegant and wearable. So were close-to-the-body sweaters, some with geometric-collared collars, worn with A-line wrap skirts or pants. Chalayan's graphic, modern knitwear has landed him a contract to design for The Cashmere in New York. But his tailoring is also precise, and the finale, when models in flesh-toned bodysuits carried colored cubes, made a poetic ending to a fine show.

Antonio Berardi seems less sure of his identity. He is associated with sexy leather: skimpy pantsuits perforated and frill-edged. But this collection seemed overwrought and overstuffed, what with turquoise eye shadow, orange lips, vivid, not to say garish, clothes and socks worn with high-heel shoes.

A New York street set made an imaginative backdrop and there were pieces worked with subtle embellishment like a pleated edge or Tirolean braid. An underlying sportswear theme might have been developed: hooded sweaters, ski caps with fedoras and biker shorts under sheer dresses. The mishmash of sexpot evening wear suggested that Bertolt Brecht's "Mother Courage" to put dabs of smocking or cross-stitching on homespun textures.

Deborah Milner, on the brink of signing a contract with Versace (although she said "I can't really talk about it"), showed clothes sculpted in extraordinary materials on an African tribal theme from stainless-steel plumage through a fluorescent jacket of coiled

ropes. Ghost looked like a parody of Spice Girl dressing, with its flashy, wannabe sexy clothes in cheap fabrics.

Unripe, hot intriguing were the collections of two recent Saint Martin's graduates: Tristan Webber, whose intricate bias cutting was shown in a runway tornado created by a wind-machine, and Andrew Groves's Irish-inspired collection of long skirts and full-sleeved blouses that ended in a simulated self-immolation.

Nicole Fischel, fashion director of Saks Fifth Avenue, praised London's energy and the evolution of forward-looking designers.

"We liked the mix of urban and whimsical clothes," she said. "On the one hand you have the mood of opulence and embellishment. On the other, there are very realistic clothes. London deserves credit for what it has accomplished in the last four years."

Two other designers made modern clothes with a focus on fabric and embellishment. John Rocha put discreet patches of devore, embroidery and applique on pepper-and-salt tweed suits. Joe Casely-Hayford was inspired by Bertolt Brecht's "Mother Courage" to put dabs of smocking or cross-stitching on homespun textures.

Deborah Milner, on the brink of signing a contract with Versace (although she said "I can't really talk about it"), showed clothes sculpted in extraordinary materials on an African tribal theme from stainless-steel plumage through a fluorescent jacket of coiled



Strapless top over sparkle sweater and soft pants by Narciso Rodriguez.

A Brave New Face For Milan Designers

MILAN — A new generation is turning the bella figura image of Italian fashion inside out. The touchy-feely collection from Narciso Rodriguez that kicked off the Milan fall-winter season, was as far as the wheel can turn from the city's earlier bravura flamboyance.

Instead of exterior flash to announce your cash, Rodriguez — the winner of a design award last month from the Council of Fashion Designers of America — showed a collection on Sunday that was sumptuous in its dense, light fabrics, simple in shape and subtle in color and decoration.

That meant felted cashmere jumper dresses snuggled over sweaters with stardust embroidery on the sleeves. Or strapless dresses and bustiers in flax, dry wool worn over fluffy sweaters. Shearling jackets, woolly hose and Birkenstock carpet slippers added to the sense of cozy private pleasure.

"It's hidden luxury — little jewels that are kept on the inside that you don't let people see," said Rodriguez, whose current collection, according to Bonnie Pressman of Barneys, is flying out of the store.

The message was ease and grace: soft, ultra-long jersey pants with square front pockets, loose jackets and over-the-knee skirts. They were slightly swaggy compared with the elegant long skirts, bias-cut or paneled. Shades of gray, fawn and khaki, with sudden shafts of sky blue and the discreet sparkle, made for a good collection of modern pieces shown in an offbeat way.

The all-gray collection in felted wool and cotton poplin from Philosophy by Alberta Ferretti was a splendid showcase for the new thick-but-

light Italian fabrics. Subtle needlecraft creating modern embellishment included raised seams on tailored coats and crochet hems on long felt dresses. That contrasted with raw edges on poplin tops and ragged tulle hems above tweedy judo slippers. It added up to a cool take on femininity, as small jackets and tidy coats went over the long dresses and box-pleated skirts that are now challenging the supremacy of pants.

Call it the Titanic effect (or maybe the Galliano factor), but most designers can't seem to create modern romance without embracing the past. Anna Molinari sent out for Blumarine on Monday a collection of delicate slip dresses and tiny knits with lace or fur trimmings. Ter embroidery, lace necklaces and dove gray, mauve and pink colors inspired by Boldini and Degas paintings came from the turn of the century. Theo ool! a move forward — but only to the 1920s — for the satin slips and tiny heads trimmed with velvet ribbons. Since vintage-style is still in vogue, it made for a pretty but familiar collection.

In contrast with London designers, who are only just starting complementary and less expensive lines, the Milan calendar features layers of products from the major designers. Although Giorgio Armani has moved his Emporio show to Paris, to reinforce the launch of his French store in Saint-Germain, Gianfranco Ferré is showing three collections. The first was his Studio line for Marzotto, which focused on curvy tailoring, tactile fabrics and a new range of unfussy evening clothes from little black dresses through velvet wrap jackets.

Suzy Menkes

CROSSWORD

ACROSS

1 Religious scroll
5 Coat, as with plaster
10 Group with the 1876 hit "Ferdinand"
14 Solo
15 Fare for Fido
16 Medicinal weight
17 Domingo, for one
18 Indian music
20 1991 best seller by Jim Stewart
22 It taps the shore

23 Trump's "It"
27 — de Cologne
28 — "soul man" (Blues Brothers lyric)
29 Trans on high
31 Circumference
32 Sheepish response
34 Neighbor of Mex
37 Lowbrow sitcom staple
41 Bro's counterpart
42 Lend a hand
43 Mailing type
48 Scandalous '80's initials

46 — "Compass" (1984 film)
47 — "Soul Man" (1984 film)
48 — "Soul Man" (1984 film)
49 — "Soul Man" (1984 film)

50 Western Indians
51 Levesque of Quebec
52 Out-and-out
53 Elder, 1st one
54 15-minute date
56 Info-packed
57 Pronounced
58 "Hey, you!"
59 American-born pianist

60 Against the current
61 Hokey
62 See eye to eye
63 Accolade for Von Steube
64 Del item
65 Accumulate
66 Site of 60's tour of duty
67 Bouncers check them Abbr.
68 Pastor drink
69 Poetic feet
70 Midwest emirate
71 "Well, ——— d'oh!"
72 The "I" of T.G.I.F.
73 Ogler's target
74 Actress Truman
75 Clearheaded
76 Left one's seat
78 Lao runner
79 Sesame paste source
80 Discomposed
81 Rest stop?
82 Nuptial starter
83 Most recent
84 Season in Bordeaux
85 Aberdeen folk
86 Etymol
87 Like hot fudge
88 Dots

89 Glazier's items
90 Fragment compound
91 Stimule
92 J.F.K. terminal
93 Computer key, for short
94 Popular toast

Solution to Puzzle of March 2

ANSWER: CHILLY TOOT UNRA RODE OVERCOMES ATLAS MOZART STAYHERE DAVIS ALICE FREEZEUP ELAPSE EEL ENDUP ADL E ALC YARDS SANS RIGOR NIKES TEE STYLES MELTDOWN DIKE STER GRABBIT ZILLLOT REEVE UNDERGOTS LINGER OUR SPOA MIOATS ENOS SSSR

1 Work on a co-ly
2 — Miss
3 Director
4 Where's command one of a jumper cable
5 Enclosed in regalia
6 Note B.g. Apple
7 120 words with "the"
8 "Get —"

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Macedonia Threat

Rising violence in the Kosovo province of Serbia has dangerous implications not only for Kosovo but also for its neighbors. Ethnic Albanians make up 90 percent of Kosovo's population but suffer severe repression at the hands of the government. In the last six months a group of ethnic Albanians, the Kosovo Liberation Army, has stepped up its terrorist attacks in Kosovo and claimed credit for two bombings in neighboring Macedonia. That is why a Security Council resolution that cuts off the peacekeeping mission in Macedonia in August is a mistake.

Violence in Macedonia could draw Yugoslavia, Albania, Bulgaria, Greece and Turkey into the conflict. That is why in 1992 the UN deployed a peacekeeping force to the country. The mission has prevented a spillover of violence from Bosnia, blocked arms smuggling to Albania and maintained peace along the Yugoslavia-Macedonia border.

The Security Council voted to end the

mission largely at the urging of Russia, which did not want to see a continued U.S. presence in the Balkans. The threat to Macedonia from Bosnia seemed to have receded with the gradual implementation of the peace accords. But the Security Council members should have taken into account events in Kosovo, which are a more direct danger.

New peacekeepers, possibly under the auspices of NATO and the Organization for Security and Cooperation in Europe, must come in when the UN mission leaves. They should not be an exclusively military force, as a civilian component is needed to monitor possibly explosive internal events in Macedonia and to press the government to respect minority rights and defuse ethnic conflicts. No one knows how serious the real threat of a new Balkan war would be without the peacekeepers.

The world should not be too eager to find out.

—THE NEW YORK TIMES

No Easy Choices

UN Secretary-General Kofi Annan's agreement with Saddam Hussein will be put to the test in coming days, weeks and months, as President Bill Clinton has said. The merits of the agreement have been greatly exaggerated by administration advocates. They ask those who question it if they would have preferred war. They don't seem to understand that crises have said not that they would have preferred war but that they would have preferred a better agreement.

Nevertheless, at least for the moment, the agreement defused a crisis in which Mr. Clinton found himself faced with a range of unattractive options — and it offers some time to develop a strategy that might leave the United States in a better position if, as seems likely, Saddam tests the UN's resolve again.

One strain of thought argues for a policy seeking Saddam Hussein's removal from power. Neither bombing nor even the most rigorous inspection regime reliably can remove all chemical and biological weapons from Iraq. Even if inspectors could comfortably certify the nation 99 percent anthrax-free, Iraq would have the wherewithal and technical expertise to rebuild. Saddam apparently sees such weapons as essential to his survival and his nation's defense against possible attack from Iran. He has used the weapons in the past and can be expected to use them again.

"His regime threatens the safety of his people, the stability of his region and the security of all the rest of us," Mr. Clinton said recently — in which case only the end of his regime, it would seem, can solve the problem.

But if the logic is clear, the mechanisms are far less so. Some experts maintain that Saddam's grip on power is shaky, that his people are ready to turn against him, that his armed forces are weak and demoralized. Others believe that he has insulated himself all too well.

Some, including the Clinton administration, argue that only a large-scale commitment of U.S. ground troops could guarantee his downfall. Others say that a small number of troops could do the job if America supported anti-regime forces, beamed anti-Saddam propaganda into Iraq and consistently pressured his regime in other ways.

The administration believes that neither the U.S. public nor U.S. allies

would support a major campaign; administration critics say this is true but not immutable and reflects weak U.S. leadership. Both sides agree that to set Saddam's removal as a goal and then fail, and to offer support to the resistance and not follow through, would be unfavorable.

A second school of thought argues for containment: As long as Saddam knows he would face massive retaliation, he would not use his weapons of mass destruction. In the meantime, economic sanctions, no-fly zones and other tools could keep him boxed in. Some proponents suggest this policy should include improved U.S. relations with Iraq's neighbors, possibly including Iran, and support for anti-Saddam forces short of full commitment. The UN inspection regime is part of this strategy along with, for the administration and some other proponents, a willingness to conduct punishing but limited air strikes against Iraq at some point if it again flouts inspectors' demands.

Drawbacks to containment include the danger of ceding the initiative to Saddam. He can force the United States to maintain a large and expensive military force in the region and, as he has done twice in the past four months, he can choose his time and method to provoke a crisis. Containment requires patience and unity among allies, and the Iraqi leader has proved skillful at challenging both. In the gains he has made during the past months — the legitimacy Kofi Annan conferred on him, the changes he managed to negotiate in the composition of UN inspection teams — Saddam has shown the difficulty of maintaining this policy over time.

So there are no easy choices. Secretary of State Madeleine Albright, in trying to answer her critics last week, defended what she called "a real-world policy, not a feel-good policy."

Yet it is true that the administration's inattention to Iraq during the past six years in the real world played a role in creating the meager options available now, and that greater attention could improve the possibilities. Certainly, to marry the rhetoric of removal — by likening Saddam Hussein to Hitler and warning of the imminent threat he represents — to a policy of containment can only undermine U.S. credibility.

—THE WASHINGTON POST

Murdoch's Villainy

In some ways, the latest Rupert Murdoch saga has the uncomfortable feel of the most recent James Bond movie: international media mogul learns that a book being published by one of the lesser arms of his communications empire might anger the Chinese government, which allows him to broadcast in his country. So what does the mogul do? Does he stand firm for a free press?

The villain in "Tomorrow Never Dies," the latest Bond movie, was prepared to do anything to enhance his media business, including provoking a war between China and Britain. He was clearly a parody of Mr. Murdoch. In real life, Mr. Murdoch has followed a similar, if less violent, impulse.

At issue is a book being written by Chris Patten, a widely respected politician who was the last British governor of Hong Kong.

After Mr. Patten submitted his first draft to the Murdoch-owned HarperCollins, the publisher abruptly canceled its contract with him. Harper-

Collins executives claimed Mr. Patten's effort was not what had been promised and did not "inspire" them "from a commercial standpoint." But the real reason is that the book, which will now be published elsewhere, criticizes China's human rights abuses and expresses concern about how the Chinese will govern Hong Kong.

This would not be the first time Mr. Murdoch has bowed to China's demands. In 1994 his Star TV canceled the BBC news service in its broadcasts to China because the government objected to its reports. At the time, Mr. Patten labeled the cancellation "the most seditious of betrayals" by a Western media executive.

A confidential HarperCollins memo, published last week in London's Daily Telegraph, lays out the corporate spin and predicts that the book's cancellation will earn the publishing house a "hostile press." On that point the memo was right. The decision is contemptible.

—THE NEW YORK TIMES

Saddam's Strategy, or the Dictator Is in the Details

By William Safire

WASHINGTON — Having suffered a half-defeat at the hands of President George Bush, Saddam Hussein scored a half-victory over President Bill Clinton. That is apparent to anyone who troubles to read the agreement that Saddam did not sign, especially the "fine print" that United Nations officials urge us to ignore.

But the dictator is in the details. In the key paragraph, Iraq accords inspectors "immediate, unconditional and unrestricted access" to — what? There's no object in that sentence. No clear language states "access to all sites the UN chooses to inspect."

Instead, the secretary-general agreed to a fuzzy "access in conformity with the resolutions referred to in paragraph 1." Search back to paragraph 1 to find out access to what, and you get a couple of 1991 resolutions that leave out the most stringent one that UNSCOM inspectors quote to affirm clear rights of access.

Clintonites pretend this means nothing, but UN bureaucrats and Arab diplomats caught the signal: Access is to be negotiated on a site-by-site basis, with impediments to be introduced as the United States tires of churn-

ing its carriers around in the Gulf.

But what of the opening of the eight presidential "palaces" with Yevgeny Primakov's KGB chaperones — isn't that a great victory for access? No; after sanitization, those palaces will be promptly shown to the world's cameras with a smiling "See? All clean. Weren't you foolish to be worried?" Then the palaces will be placed off-limits again — for uncheckable storage of germ warfare equipment.

This is the new technique of "guerrilla peace," the way a third-class power can defeat a superpower. The hapless Clinton team says sternly it intends to test Saddam, but in reality he has been testing us for years — steadily poking holes in our leaky containment.

In his most serious test, Saddam struck at our CIA-sponsored opposition in northern Iraq, wiping out its headquarters in Arbil and bringing the Kurds' Massoud Barzani to Baghdad on his knees. Mr. Clinton expressed irritation by lobbing a few dozen missiles into the southern desert. Small wonder that Saddam was emboldened

to throw out inspectors pursuing his germ-war production.

His second test of our American resolve was his demand that the UN nearly triple the amount of oil he was permitted to sell. We offered that sop to Cerberus on the eve of UN Secretary-General Kofi Annan's summons to Baghdad, after which Saddam must have danced a jig as Hitler did at Compiègne forest.

Having smashed internal opposition with ludicrous U.S. response, having eroded sanctions in return for another promise to keep broken inspection agreements, having maneuvered the feeble U.S. president into threatening military action without a mission, what is the dictator's next goal?

He does not have to precipitate another confrontation, forcing an American bomb spam and possibly annoying his guard. As a good guerrilla he only has to harass, give way, harass again.

Little by little, one corruption at a time, he can rid himself of effective inspection and erode the rest of the sanctions — without giving up his ability to develop germs, poison gas and, ultimately, nuclear weapons. And with new oil revenues, the dictator can buy the missile tech-

nology to strike anywhere, any time. For Saddam is not Saddam without the incipient possession of a terror weapon. Without its potential he is just another local dictator. With it he can say to the Arab world: Only I can save you from 60 million nuclear-equipped Persians. Only I can enable you to dream of obliterating the Jewish intruders. Only I can humiliate the superpower.

Mr. Clinton has shown time and again that he is not the one to frustrate Saddam's revival. Nor is our present president likely to be afforded clear provocation for an unavoidable and publicly supported strike.

The Clinton strategy comes as a prayer: Let this cup pass from my lips.

Our next president, confronted with Saddam's tanks rolling through Kuwait to Saudi Arabia, will prepare to counter-attack. Saddam will credibly threaten, if we do, to take out a major U.S. city in a germ attack. We counterthreaten nuclear holocaust. He laughs — just for Saudi oil, we are really ready for an exchange of wholesale death?

At that point, Mr. Clinton's gamble with our security may come in for some criticism.

The New York Times

America's Choice: Accept the UN or Prepare to Go It Alone

By William Pfaff

PARIS — Trent Lott, leader of the U.S. Senate's Republican majority, said that UN Secretary-General Kofi Annan has not "called the shots" on U.S. policy toward Iraq. He says American foreign policy is being made by the United Nations.

This obviously is part of a rather stupid partisan quarrel in Washington, but Senator Lott is correct when he says that Mr. Annan's agreement in Baghdad was not made on terms laid down by the United States.

Washington's problem is this: By undertaking to act as agent of the "international community," it ran into the determination of that international community to have a say about what was done in its name and on its behalf.

This bothers Mr. Lott and others because they want the United States to be free to act as it sees fit. They do not trust the United Nations, nor do they like interference or second-guessing from America's allies.

There is a comprehensible unilateralism, a position defended by many in the past. The idea that the United States should stand tall — in solitary

virtue, unencumbered by the preoccupations of other states — expresses the traditional American exceptionalism. A distaste for foreign "entanglements" is as old as the republic. Today it presents a serious difficulty for the Clinton administration.

A day after Mr. Annan's return to New York from Baghdad, an obviously planted story in The New York Times (HT, Feb. 26) told of a "secret" flight made to New York by Madeleine Albright on Feb. 15 for a "secret meeting" with the secretary-general at his town house. There she is said to have presented America's "requirements" for Mr. Annan's mission to Baghdad. The purpose of the story is to claim (as The Times' headline put it) that the "fingerprints on the Iraqi accord belong to Albright."

The secretary of state will certainly have seen Mr. Annan and told him what the United States wanted him to do. But even though Mr. Annan was Washington's nominee for the post of secretary-general, he works for the UN, not for the

United States, and is required to take his mandate from the Security Council, not from Washington. He did not need U.S. approval to go to Baghdad.

Nor would the Security Council agree with the United States on instructions for Mr. Annan. John Weston, Britain's representative to the UN, saved the day, following the council's inconclusive debate, by giving Mr. Annan an oral summary of those things on which the council had been able to agree. Mr. Annan went to Baghdad with this unwritten "advice," and the measure of negotiating freedom it conferred.

This was also a case — amazingly enough — of European Union foreign policy at work. In this instance using the good cop/bad cop technique.

The loyal British, ready to go to war by America's side, humored Washington and finessed the Security Council problem. The bad French briefed Mr. Annan in Paris on what they knew about the Iraqis' thinking and then flew him to Baghdad, where their diplomats had been telling the

Iraqi leadership that this definitely was Iraq's last chance to prevent the bombing and get sanctions lifted.

Following Mr. Annan's return to New York, the Italians, in the person of their prime minister, and France's president, Jacques Chirac, both suggested that if there were compliance, a way must now be found (as Mr. Chirac put it) "to reinsert Iraq into the international community." That means lightening and eventually lifting the sanctions on Iraq. Such a statement was undoubtedly awaited in Baghdad.

The United States is not pleased by all this. Mrs. Albright does not like to be preempted. The Republican opposition certainly does not like what has happened. Mr. Lott says it means "peace at any price."

Whatever it means, the United States has either to live with it — accepting the involvement of the UN, the allies and the "international community" in how the United States treats Iraq — or it takes up a unilateralist policy and accepts international isolation. Posing these alternatives is

not a useless exercise, unlikely as the latter course of action may be. American leadership of a so-called new world order is a great deal more complicated than leading the Western alliance in the Cold War.

The implications of the new situation are resisted by many in Washington. This is clear not only in the UN case but in NATO expansion as well. The Senate now seems ready to approve NATO expansion but does not seem fully to understand what that means.

NATO rests on a commitment to go to war if any member is attacked. Expanding that commitment from 15 to 18 nations, with more to come, is a much more significant delegation of power over U.S. policies and security than membership in the UN could ever be.

The Senate undoubtedly takes for granted that NATO will always remain a compliant instrument of American policy. It should remember that this is exactly what the American government thought when it launched the idea of a UN organization back in 1943.

International Herald Tribune, Los Angeles Times Syndicate.

Rights of the Individual Get Lost in an Academic Scuffle

By George F. Will

LOS ANGELES — Guatemala's civil war was one motivation to move.

Another was the 1976 earthquake that killed 23,000 and would have killed Alvaro Cardona if his head had still been on the pillow where the large adobe brick fell. So when Alvaro was 9, his father brought the family north to Los Angeles.

Alvaro Cardona thrived. He left high school, married and started a family at 16; became manager in a restaurant chain; passed the exam for a high school degree; enrolled at a community college, then at the University of California at Los Angeles, studying history. He is now so thoroughly Americanized he is using somebodies.

His UCLA financial aid package required that he work. While in community college he had tutored students in English, and he sought employment tutoring in UCLA's Academic Advancement Program, an affirmative action program.

Students are automatically eligible if they are from "historically underrepresented" peoples, including those of African-American, Chicano/Latino, Filipino and Pacific Islander descent. White and Asian students are eligible only if they are low-income.

In November 1995, when Mr. Cardona was interviewed for a tutorial position, he says the interviewer repeatedly spoke to him about UCLA's "institutionalized racism" and interrogated him about his views on affirmative action. Mr. Cardona told her he had mixed feelings. Last

year he told The Chronicle of Higher Education that he had said to the interviewer that many black and Latino students "seem to carry this complex around that higher education is a God-given right, not something you earn."

During his interview for the tutoring position he says he was never asked about his qualifications or experience as a tutor. He says the interviewer worried that he would stress academics "too much" because, she said, half of a tutor's job is to "validate" students' feelings about institutionalized racism and discrimination.

Indeed, a recruitment flier for tutors lists one hiring criterion as "sensitivity and commitment to underrepresented and low-income students and the

goals of affirmative action." Mr. Cardona says he told the interviewer that he would try to allay students' fears and help them find assistance if they experienced discrimination, but that he thought his primary job as a tutor would be to help students become coherent writers so they could express whatever they felt about anything.

In December 1995, he says, he was told that he would not be hired as a tutor because he did not understand discrimination and did not wholeheartedly support affirmative action — but that he should apply again after he had discovered what UCLA was "really like."

Only in America: Aided by libertarian litigators at Washington's Institute for Justice, Mr. Cardona is suing UCLA, charging that he was denied a job for the reason that he did not think sufficiently poorly of UCLA.

And apparently he was denied the job because he agreed with the University of California's Board of Regents, which in July 1995 voted to eliminate race and gender preferences in university programs.

His contention is that employment was unconstitutional under the First Amendment right to free speech. He is not challenging the legality of racial preferences, which California

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Nordic Bloc Splits Over Europe

By Max Jakobson

HELSINKI — The deepening of European integration is usually hailed as a unifying force, but it also has divisive consequences, as can be seen in northern Europe. The Nordic bloc has been split three ways.

First, in 1994, the two former neutrals, Finland and Sweden, decided to join the European Union, while the Norwegians, safe inside NATO and flush with oil money, voted to stay out. (Iceland had decided earlier not to apply for membership.)

Now Finland is on its way into monetary union, or EMU, while Sweden and Denmark have chosen to stay on the sidelines. The rift on EMU does not reflect differences in economic performance. All three countries could qualify for the single currency. The rift is caused by a mixture of geopolitics, ideology and historical legacies.

Each nation has its own view of what the European Union stands for. In the referendum in 1994, a majority of Norwegians voted "no" in order to maintain the independence of their country, while a majority of Finns believed they would enhance their independence by voting "yes."

The explanation is simple: The Norwegians face the Atlantic, the Finns a 1,200-kilometer (750-mile) border with Russia.

The Finnish view is that, although the EU is not a military

alliance, membership will ensure that Finland is not again isolated in a European crisis.

For the Swedes, however, isolation is not the problem but the solution. By keeping out of alliances, Sweden has had peace for 183 years.

So the Swedes are not looking to the EU for additional security. They are concerned, however, about the possible effects of membership on their social model — emphasizing environmental protection and the rights of women — which they believe puts Sweden ahead of the rest of Europe.

The referendum in 1994 was decided by a very narrow majority, and opinion surveys show that Sweden today is by far the most "Euro-skeptical" member state.

Sweden's ruling Social Democratic Party is divided, and the smaller parties, whose support the government needs in Parliament, are anti-integrationist. A majority in favor of EMU could be created only by an alliance between the Social Democrats and Carl Bildt's conservative opposition party, but this is anathema to the Social Democrats, who have ruled Sweden, except for brief intervals, since 1932.

Finland has a different political tradition. The country is normally run by coalitions. The

present government includes the Social Democrats and the conservatives, as well as three smaller parties, and has a comfortable majority in Parliament.

In Finland, too, opinion polls indicate that a majority is against joining EMU, but the government is determined to go ahead, acting on the simple but compelling view that for a small nation like Finland, joining EMU carries fewer risks than staying outside. Thus Finland, unlike Sweden, has moved — to quote Tony Blair — "beyond right and left."

The new dividing line is not between federalists and nationalists — there are no nationalists in Finland — but between different concepts of national independence. The traditional view is that a small nation must limit its international commitments in order to retain as wide a margin of freedom as possible.

Against this, it is argued that the true measure of national independence in our interdependent world is the degree of influence a country can gain on common European policies.

To secure a seat at the table at which decisions are made must therefore be an essential goal.

The writer, a former Finnish ambassador to the United Nations, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Kaiser's Cards

PARIS — The German Emperor possesses a singular and unique pack of playing cards. The court cards represent portraits of reigning sovereigns selected by His Majesty. The queen of hearts, it is flattered to record, is Queen Victoria. The Pope, oddly enough, is the king of spades and, with becoming modesty, the Emperor William himself is the king of hearts. The principal Premiers of Europe are the knaves, and in the center of each ace is the presentment of some famous actress.

1923: Literate Lament

PARIS — [The Herald says in an Editorial:] Professor G. L. Montgomery, who teaches literature in the University of California, deplores his failure to interest seven-tenths of the pupils in Chaucer and Shakespeare. The narrowness of Professor Mont-

gomery's view is patent. Does he think that literature is the sole eligible criterion on testing intellectual ability? Many superior minds can be thoroughly well entertained by literature while incurably averse from the serious study of it; and these same minds may have another predestined and more useful path of development before them.

1948: Russian Wives

LAKE SUCCESS, New York — The United States and Chile are conferring on a project to invite other countries to join in a mass action in protest of the Soviet policy which forbids Russian wives of foreigners to leave Russia with their husbands. The American-Chilean talks are in early stages, but the idea would be to line up every country whose nationals have Russian-wife troubles and take a collective case to the UN International Court of Justice.

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OPINION/LETTERS

Playing in Washington:
'The Nutty Prosecutor'

By Frank Rich

NEW YORK — Kenneth Starr's critics have it all wrong. He is not a partisan zealot acting under orders from the right-wing moneybags Richard Mellon Scaife. He is not an inquisitorial bully who takes a sadistic, "Sophie's Choice" pleasure in pitting Lewinsky mother against child.

He is not the most fanatical foe of the First Amendment since Joseph McCarthy. No, recent events give more credence to another possibility — that the guy is simply nuts.

Only a madman would turn Sidney Blumenthal, the most reviled former Washington Post journalist since Janet Cooke, into an after-speech martyr to rival John Peter Zenger.

Only a madman would try to win over a hostile public by whining to TV cameras about how people are whispering such mean and rotten things about him and his friends behind their backs. (If there's anyone Americans despise as much as a smug, self-righteous millionaire crybaby on the federal payroll.)

And only a madman would once again divert attention from his prosecutorial prey, President Bill Clinton, just as Mr. Clinton was caught in a sleazy new escapade.

Thanks to the din of Mr. Starr's lunatic ravings, few now even remember the revelation last Tuesday: the private eye Terry Lenzner's admission that he was working for Mr. Clinton's lawyers in the Paula Jones case, despite previous White House denials. Nor — again thanks to the independent coun-

sel — has anyone, the press included, noticed that the president's alliance with Mr. Lenzner, of all private eyes, is an act of particularly rank hypocrisy.

Mr. Lenzner was one of the most ruthless mercenaries for the cigarette industry in the tobacco wars. As Marie Brenner reported in Vanity Fair in 1990, Mr. Lenzner's company was hired in 1995 by lawyers for Brown & Williamson, the tobacco giant, to investigate Jeffrey Wigand — the former B&W executive whose whistle-blowing (to the CBS program "60 Minutes") and to the Justice Department) was threatening to expose Big Tobacco's most criminal secrets.

The result of the Lenzner investigation was a 500-page dossier of dirt on Mr. Wigand that B&W then leaked to the press with the hope of destroying him before he could testify against tobacco executives.

Unfortunately for B&W, and fortunately for the public, The Wall Street Journal ultimately defanged the dossier by exposing its faulty evidence and untrue charges. Mr. Wigand not only prevailed but also was invited to join Vice President Al Gore at the White House last July to be hailed as an "American hero."

No wonder, then, if not for Mr. Lenzner's courage under Mr. Lenzner's fire, neither the president nor the vice president could today be hogging credit for winning the war against tobacco.

Now we learn that Mr. Clinton is in bed with the creep who tried to bring down Mr. Wigand, the American hero — long in bed, according to an Associated Press report Friday clocking White



House visits by Mr. Lenzner in 1996. Clinton defenders who decry Mr. Starr's moral turpitude for working as a Brown & Williamson lawyer must now explain the president's tie to a B&W snop whose tactics make Mr. Starr's money-grubbing for Big Tobacco look benign.

Chances are, though, that the irrepressible independent counsel will whip up a new grand jury circus to distract us. In his zeal to get to the bottom of that "avalanche of lies," he fears Mr. Blumenthal is spreading to obstruct justice, Mr. Starr may have

to take on all the Man Drudge wannabes who are publishing Internet innuendo about the prosecutor's Vietnam draft deferment and private life.

Last week, the National Enquirer got into the act with a story illustrated with what it says is a photo of Mr. Starr consumed in drag for school play. Is this, too, a White House conspiracy? President Clinton's lawyer, David Kendall, also represented the Enquirer. Can a Starr subpoena be far behind?

No nutty is the prosecutor's witch-hunt that even his censor-

ship allies are working ahead that the president will ask Janet Reno to fire him. Keep dreaming, Mr. Clinton may be many things, but stupid isn't one of them.

Another Starr admirer, the journalist Stuart Taylor Jr., is calling for the counsel's resignation, but let us not forget that Mr. Starr already did quit once, for a job at Pepperdine University in California, and then just as chronically reversed himself. It may take man in white suits to haul him away to Alcatraz now.

The New York Times

Though Racism Persists,
Progress Is Undeniable

By William Raspberry

WASHINGTON — When it comes to race in America, "nothing's changed."

This is an assessment I have heard from scores of serious-minded people — people who must know, at some level, that it simply isn't true.

I am speaking, for example, of people who were involved in the struggle to enfranchise blacks in the South, who won that struggle so overwhelmingly

may explain the nothing's-changed phenomenon. Perhaps, that is to say, we have a finite capacity — organizational, institutional and political — for dealing with racial injustice. And maybe that capacity will tend always to be fully engaged, no matter the actual amount of racial injustice.

Thus, the mechanisms that once were used to deal with the most blatant forms of discrimination are not retired when Jim Crow ends; we merely define racist behavior up and proceed as though nothing's changed.

Evidence that an apartment manager is turning away black applicants produces approximately the same political and emotional response once produced by cross burnings.

The feeling that one's intellectual input is not taken at full value by a white corporate boss might trigger the same sort of rage that a whites-only sign might have triggered a generation ago.

I have a friend who nearly lodged a formal protest against the hostess at the place where he regularly breakfasts. Why? She greeted white customers, but not him, with a cheery "good morning" smile.

His brain knew that her slight came nowhere close to the humiliating treatment he remembered from the days of unapologetic (and legally irremediable) racial exclusion. But his gut said: Nothing's changed.

I do not suggest that we Americans should acknowledge

The victims of injustices might find it useful to keep them in perspective — to separate the major from the minor, the urgent from the merely annoying.

the existence of some progress on the racial front and, on that basis, cease our strivings for full justice.

I make a smaller point: that the victims of racial, gender or other injustices might find it useful to keep those injustices in perspective — to separate the major from the minor, the urgent from the merely annoying — in order to put the most effort where it is likely to do the most good.

It is hard to get an intelligent sense of priorities about what to do next when you are convinced that the net effect of all you have done to date is that: Nothing's changed.

The Washington Post

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

Giving Japan Credit

Regarding "Who Runs Japan?" Well, Certainly Not the Government" (Opinion, Feb. 12) by Karl van Wolferen, and "Criticism of Japan's 'Virtual' Policy Grows Louder" (Feb. 23).

Conventional wisdom declares that Japan bears much of the responsibility for the Asian financial crisis. I would like to ask whether this accusation is justified.

The basic rationale for urging Japan to take more vigorous measures to bail out the troubled Asian economies is simply that Japan's is the second-largest economy in the world. Where, then, is the No. 1 economy? Or Nos. 3 and 4? Or the combined European Union economies?

If, as is widely believed, the Asian economic crisis has global impact, why are these economic powers sitting on the sidelines and criticizing the only player willing to take the field? They describe Japan's measures as "too little, too late." Their own actions could be called "nothing, never."

It is inconceivable that only the United States can afford to absorb the products that need to be sold by Asia.

Yet according to The New

York Times, the U.S. commerce secretary, William Daley, said that Japan needed to understand the political reality for Washington in an election year. A larger trade deficit is not possible.

Why doesn't the newspaper mention the widely acknowledged political reality in Japan? It is also in an election year, which does not easily allow for further increases in the budget deficit.

While the U.S. president received no permission from Congress for his bailout of Mexico, the Japanese prime minister needs permission, not only from his coalition government partners but also from the Diet, for each of his policy initiatives.

Do those who criticize the Japanese government really wish its prime minister to be authoritarian? Lack of a power center is the price to pay for a functioning democracy.

Japan decided to provide \$19 billion in aid to Thailand, Indonesia and South Korea, while the United States gave only \$8 billion and eight European countries gave \$6.2 billion altogether.

Unlike the case in the United States, in Japan there was little criticism of the International Monetary Fund's assistance to

the three countries in question. Responsibility for helping the troubled East Asian economies should be shouldered by the global community, especially the Group of Seven nations. While Japan can claim credit for Asia's success story, it should not take the blame for its failure.

MINJIE KYOOL
Tokyo.

The writer is director of the international press division at Japan's Ministry of Foreign Affairs.

U.S. Students Have a Life

Regarding "U.S. Ponders Why Students Trail the World on Math Tests" (Feb. 26).

Rather than react with shock and dismay to U.S. high school seniors' relatively low scores on math and science tests, I would suggest that my educator counterparts in the United States consider the following explanation for this performance: American high school students have a life.

According to a survey reported in the IHT in 1996 ("Universal Goals: Family Achievement and Dreams," July 2), "U.S. youths vary from their peers [in other

countries] most strikingly in how busy they are." American teenagers are three times more likely to have jobs while in school. They date more, they "were more likely to say they cleaned the house, cared for a sibling, did yard work and laundry than kids in most of the other countries."

"This combination of work, dating, chores and outside activities may help explain" why U.S. teenagers "read less often than those in other countries," the article added.

Let us compare this situation with that in France, where adolescents scored in the top group in advanced math. French high school students can spend more time in school than their parents spend at work. I have seen the children of French friends spend hours night after night keeping up with brutally heavy homework assignments.

Let us then ask: Which country — per capita — publishes the most articles in scientific journals, registers the most high-technology patents, produces the most Nobel laureates, etc.? The answer is, of course, the United States.

Perhaps educators in the United States should study further to see if these achievements are due to students' catching up with — or even

surpassing — their foreign peers in college and graduate school. Meanwhile, they are able to experience a more varied life as teenagers than most around the world.

JOHN GREGORY
Jouy-sur-Eure, France.

Doing as the Romans'

Regarding "The Decline of the New Rome Has Begun" (Opinion, Feb. 21) by William Pfaff.

Mr. Pfaff notes that Rome defeated Carthage in the first century B.C. to achieve a Pax Romana comparable to a Pax Americana initiated with the Soviet Union's collapse.

In fact, the Roman general Scipio entered Carthage in the spring of 146 B.C., the second century B.C., to end the third Punic War. Rome's "defeat" of Carthage is a pretty mild term — Rome completely vanquished Carthage by destroying and plowing under with salt one of the most beautiful cities in ancient time.

More analogous is the U.S. dropping of two atomic bombs on Japan — which also initiated a brief period of America's reign as the world's sole superpower.

JOHN ZIMMERMAN
Tunis.

A permutation of that theory

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technology to strike anywhere. For Saddam is not Saddam's weapon. Without its potential to the Arab world: Only I can see. Only I can enable you to see. Mr. Clinton has shown that again that he is not the one to see. Saddam's revival. Nor is it the provocation for an unfavorable publicly supported strike.

The Clinton strategy comes to our next president, confirmed to Saudi Arabia, will prepare to attack. Saddam will prepare to attack. We do, to take out a major U.S. clear holocaust. He laughs — we exchange of wholesale death.

At that point, Mr. Clinton's criticism.

The New York Times

e to Go It Alone

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The AAP argues that de-

ference should be given to ac-

ademic freedom, and that

making judgments about teach-

ing methods, and for ac-

cepting unsympathetic AAP

premises might be to de-

fective tutor Howard's de-

clarative Court has held that

speculative a woman came

into the specific area of

employment.

Institutional programs of

higher education should not

be disdained. But neither

should American prem-

ises seem to have been de-

clined in Mr. Cardona's case, by the

following reasoning.

The premise of most

reference programs is that

there are groups rather than

individuals. Hence the im-

portance of isolating them

and grade individuals who

scribe to the traditional

premise about the pro-

cess of individuals.

Hence the importance of

forcing political ortho-

doxy. Hence an easy conse-

quence of the rights of in-

dividuals like Mr. Cardona.

Washington Post Writers Group

GES: 100, 75 AND 50 YEARS

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ington to the idea that the United States, as the world's largest and most open market, should have to absorb all the cut-price exports expected to flood out of East Asia following the huge currency devaluations of recent months.

Thanks to the Asian crisis, it is now widely forecast that the already swelling U.S. trade deficit will soon grow even bigger, perhaps rivaling the alarming levels of the mid-1980s.

In some ways that might be a good thing. It should help to keep America's thriving businesses on their toes, in much the same way that the strong yen forced Japanese industry to keep growing more competitive in those far-off days when Japan was still booming.

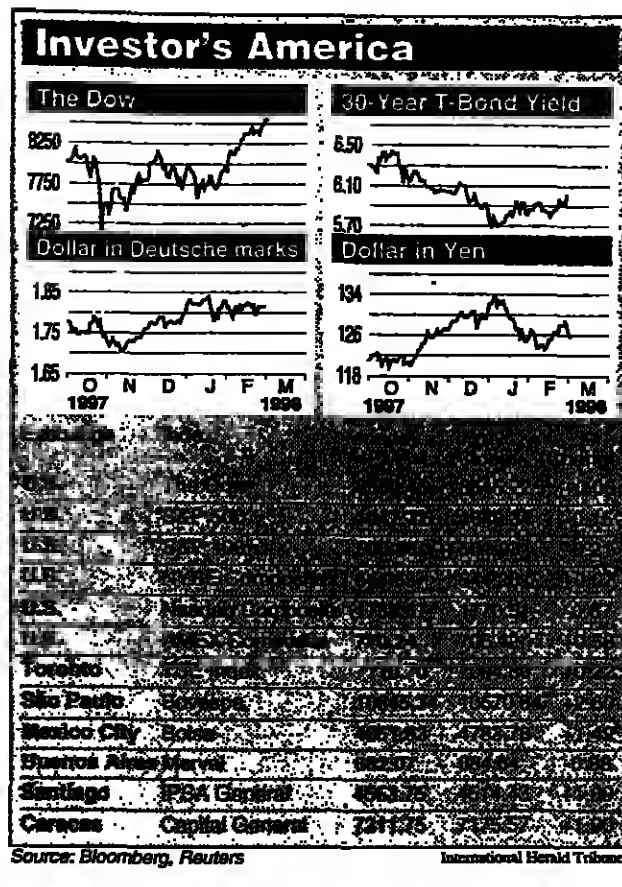
But the political consequences could be severe in an election year, especially if the U.S. economy slows further and unemployment starts to rise. The real danger is a big new boost for the protectionist forces already threatening America's continued commitment to an open global economy.

These are the fears behind Washington's insistence that Japan must expand its economy to absorb part of the export surge, and, increasingly, that Europe must too.

ing. It is unclear how far inflation will offset the competitive advantage gained by devaluation, or how far currencies will appreciate again as the crisis wanes.

But the fact remains that the stricken Asian countries will have to increase their exports to get out of trouble, and their own markets will not absorb many imports in return. That also worries Continental Europe, where the current recovery is also heavily dependent on exports, and

THE AMERICAS



Very briefly:

- Del Webb Corp., a retirement community developer, said talks with an unidentified party interested in acquiring the company had ended without agreement. The Phoenix-based company said last week it was considering a takeover bid.
- Brooke Group Ltd., owned by the financier Bennett LeBow, and New Valley Corp. said they had formed a venture with Apollo Real Estate Advisors to develop property in Moscow.
- Computer Sciences Corp. said Computer Associates International Inc.'s \$9.8 billion takeover bid is inadequate and urged shareholders to reject the \$108-a-share offer.
- WHX Corp. agreed to buy Handy & Harman for \$645 million in cash and assumed debt, helping WHX cut its pension liability and making its steel business more attractive for a spin-off or sale.
- Corning Inc. agreed to sell most of its Corning Cookware business to Kohlberg, Kravis, Roberts & Co. for \$393 million after an agreement to sell it to AEA Investors Inc. for \$325 million fell through.
- Brazil's trade deficit narrowed 70 percent in February from January to \$214 million.

AIG Matches Bid By a Rival for American Bankers

Bloomberg News
NEW YORK American International Group Inc. on Monday matched a rival bid from Centant Corp. for American Bankers Insurance Group Inc., raising its initial offer by 23 percent, to \$38 a share.
 AIG's new offer values American Bankers at \$2.7 billion, equalling Centant's offer. Before AIG raised its offer from \$2.2 billion, analysts said the insurer was unlikely to engage in a bidding war.
 In late trading Monday, American Bankers shares were up \$5.125 to \$61.375, a signal that investors expected Centant to sweeten its offer. Centant's president, Henry Silverman, said earlier that he welcomed an auction. A spokesman for the direct-marketing company, which franchises travel-related brands, including Avis and Howard Johnson, declined to comment.
 Centant began a \$58-a-share, cash tender offer for American Bankers on Jan. 28, more than a month after the Miami-based credit insurer agreed to be bought by AIG for \$47 a share. Last week, it extended the tender offer, through which it hopes to acquire 51 percent of American Bankers with cash, until March 6. Centant plans to buy the rest of American Bankers with stock.
 American Bankers said its board favored the agreement with AIG.

Sunbeam Blends in 3 Companies

\$2.5 Billion Paid for Coleman, First Alert and Signature Brands

Bloomberg News
DELRAY BEACH, Florida — Sunbeam Corp. agreed Monday to buy Coleman Co., a maker of camping equipment, Signature Brands USA Inc., which makes Mr. Coffee machines, and First Alert Inc., a producer of smoke alarms, for a total of \$2.5 billion in stock, cash and assumed debt.
 "We never do anything halfhearted," said Chairman Al Dunlap, who is known for ruthless downsizing and job cuts. "That is a powerful house of brands."
 The acquisitions are Sunbeam's first under Mr. Dunlap, who cut 6,000 jobs, closed more than three dozen plants and made Sunbeam consistently profitable since taking over in July 1996.
 Mr. Dunlap said in October that he wanted to acquire a poorly managed company with strong brands and restructure it or else sell Sunbeam.
 Acquisitions made more sense, analysts said, because Mr. Dunlap can use Sunbeam stock in part to finance expansion, while stocks of the acquired companies had fallen as the manufacturers struggled.
 Sunbeam's stock has soared since Mr. Dunlap took over. It closed Monday at \$45.8125, up \$4.0625.
 Sunbeam said it expected the acquisitions to triple sales, produce initial savings of about \$150 million and generate substantial increases in earnings per share in 1999. The company expects to take a one-time charge this year to consolidate the deals.
 Mr. Dunlap did not immediately discuss changes for the acquired companies, but analysts said they expected cutbacks.
 "Mr. Dunlap has proven in the past he operates with a very sharp pencil," said David Liebowitz of Burnham Securities.
 Sunbeam is assuming about \$608 million in debt as part of its deals for the three companies.
 The stocks of all three companies shot higher after the deals were announced. First Alert closed up \$2.03125 at \$5.15625, Signature Brands ended \$2.78125 higher at \$8.03125 and Coleman finished \$10.0625 higher at \$30.9375.
 Sunbeam's remaining product lines include Mixmaster, Oster and Sunbeam.
 Sunbeam is paying about \$2 billion for Coleman, including \$800 million in stock, \$800 million in cash and \$400 million in assumed debt.
 Coleman is a global leader in outdoor recreation and hardware

products with brands such as Coleman, Powermate, Camping Gaz and Eastpak. Sunbeam makes Grillmaster outdoor products.
 The merged companies would capitalize on international strengths, Mr. Dunlap said. Coleman in Europe and Asia and Sunbeam in Latin America.
 Sunbeam is paying about \$250 million for Signature Brands — \$85 million in cash and \$165 in assumed debt.
 Signature Brands had \$279 million in sales in 1997. Besides the Mr. Coffee line, it sells health products under the Health-o-meter brand. It has two factories and approximately 1,000 employees.
 Sunbeam is paying \$176 million for First Alert, including \$133 million in cash and \$43 million in assumed debt.
 The maker of a variety of residential safety equipment had \$187 million in sales last year, operates two factories and employs approximately 2,100 people.
 Mr. Dunlap, who met last year with the head of Waste Management Inc., sought to end speculation that he would leave the appliance maker by signing a new three-year employment contract. Terms of the contract were not disclosed. (Reuters, Bloomberg, AP)

Yen Gains On New Plan For Tax Cuts

Bloomberg News
NEW YORK — The dollar fell against the yen Monday after Japanese officials proposed more tax cuts and spending to jump-start their economy and financial markets.
 The dollar slipped against the Deutsche mark amid speculation that Gerhard Schroeder, the opposition candidate who will try to topple Chancellor Helmut Kohl in the September election, might pave the way for tax reform and other measures to promote growth.
 Shinzo Kamei, an official of Japan's Liberal Democratic Party, urged the government Sunday to

FOREIGN EXCHANGE
 pump 10 trillion yen (\$78.65 billion) into the economy in tax relief and public-works spending, funded by bond sales.
 "The yen is clearly benefiting from all this talk of fiscal measures," said Rob Hayward, an economic adviser at Bank of America in London, who is advising clients to sell dollars.
 The dollar fell to 125.53 yen in 4 P.M. trading from 126.08 yen Friday. It slipped to 1.8143 Deutsche marks from 1.8164 DM and to 6.0837 French francs from 6.0905 francs. It rose to 1.4655 Swiss francs from 1.4643 francs.
 The latest proposal by the Liberal Democrats follows one last week calling for 20 trillion yen in tax cuts and spending. That offer fueled optimism that the government would take the necessary steps to lift the economy from a seven-year slump.
 Still, the yen's rise could be capped by doubts that these latest proposals will become reality.
 The U.S. currency fell against the mark after Germany's Social Democratic Party named Mr. Schroeder, the premier of Lower Saxony state, to be its candidate to challenge Mr. Kohl in September.
 "The perception is that he's going to be a strong leader, able to get through economic policies that will be good for the German economy," said Ivar Bjornstad, treasurer in charge of foreign exchange at Den norske Bank in New York. "That's good for the mark. We're bullish on the mark."
 Other traders expect the dollar to gain, driven by U.S. economic strength and signs that the Bundesbank will not raise interest rates in the near term.

Blue-Chips Shake Off Bond-Yield Blues

Bloomberg News
NEW YORK — Blue-chip stocks edged up to a record Monday, but the broader market was held back by rising Treasury bond yields.
 "Some people may feel comfortable taking some of their money out of stocks and putting it in bonds," to take advantage of climbing yields, said Steven Zenker, a money manager at McCabe Capital Managers.
 The Dow Jones industrial average closed 4.73 points higher at a record 8,550.45, but the Standard & Poor's 500 index slipped 1.63 points lower at 1,047.72. Advancing issues outnumbered declining ones by a 4-to-3 ratio on the New York Stock Exchange.
 Treasury bond prices fell, sending yields higher, after the National Association of Purchasing Management said its monthly index of business activity rose to 53.3 in February from 52.4 in January.

The increase reversed three straight months of declining growth and was a surprise to economists who had expected the figures to show that slowing demand in Asia was dampening U.S. growth.
 "People have overestimated the impact of the Asian slowdown on the U.S. economy," said Robert Auwerter, a bond manager at Vanguard Group.
 Fast economic growth could prompt the Federal Reserve Board to raise interest rates as a preemptive strike against inflation. But so far, the Fed has indicated that it has no intention of altering monetary policy.
 Nonetheless, the price of the benchmark 30-year bond closed down 1 1/32 point at 101 1/32, sending the yield up to 6.02 percent from 5.92 percent Friday.
 That jump in bond yields weighed on stock prices because higher borrowing costs can hurt corporate

earnings by making it more difficult for companies to repay debts.
 "The market has had a good run," said Jennifer Williams, a trader at First Albany Corp. "If anybody is looking to sell, it's because most people want to get out before a correction. Are we due a correction? Probably sometime soon."
 Compaq Computer was the most actively traded issue, falling 7/8 to 31 3/16 after cutting prices on a line of notebook computers.
 Dell Computer fell 3/4 to 136 1/4 after it said it planned to build a plant in Austin, Texas, to make workstations and servers to keep up with demand for the high-powered products.
 Other technology issues also were weak, with Intel dropping 1/4 to 87 1/16 and Microsoft losing 1/4

to 83 1/4. That helped pull the Nasdaq composite index down 11.84 points to close at 1,758.67.
 Callaway Golf fell 3/4 to 28 1/16 after the golf-club maker said El Niño storms and currency turmoil in Asia could cause its earnings to fall well below analysts' expectations.
 PaineWebber Group fell 2 1/4 to 38 1/4 after the brokerage had no comment on speculation that it is a takeover target.
 Scopus Technology rose 4/4 to 18 1/4 after Siebel Systems said it would buy the company for \$460 million to expand its offering of software used to automate sales and service departments. Siebel fell 6/4 to 55 1/4.
 PetSmart rose 1 1/32 to 9 1/32 after the operator of pet-supply stores was raised to "strong buy" from "market perform" by an analyst at BT Alex. Brown Inc. (Bloomberg, AP)

AMEX					
Monday's 4 P.M. Close					
The 300 most traded stocks of the day, up to the closing on Wall Street.					
The Associated Press.					
Stock	Sales	High	Low	Latest	Change
IBM	770	27 1/2	27 1/4	27 1/4	+1/8
Apple	720	22 1/2	22 1/4	22 1/4	+1/8
Microsoft	680	22 1/2	22 1/4	22 1/4	+1/8
Amazon	640	22 1/2	22 1/4	22 1/4	+1/8
Google	600	22 1/2	22 1/4	22 1/4	+1/8
Facebook	560	22 1/2	22 1/4	22 1/4	+1/8
Twitter	520	22 1/2	22 1/4	22 1/4	+1/8
LinkedIn	480	22 1/2	22 1/4	22 1/4	+1/8
Dropbox	440	22 1/2	22 1/4	22 1/4	+1/8
Zoom	400	22 1/2	22 1/4	22 1/4	+1/8
Zoom	360	22 1/2	22 1/4	22 1/4	+1/8
Zoom	320	22 1/2	22 1/4	22 1/4	+1/8
Zoom	280	22 1/2	22 1/4	22 1/4	+1/8
Zoom	240	22 1/2	22 1/4	22 1/4	+1/8
Zoom	200	22 1/2	22 1/4	22 1/4	+1/8
Zoom	160	22 1/2	22 1/4	22 1/4	+1/8
Zoom	120	22 1/2	22 1/4	22 1/4	+1/8
Zoom	80	22 1/2	22 1/4	22 1/4	+1/8
Zoom	40	22 1/2	22 1/4	22 1/4	+1/8
Zoom	20	22 1/2	22 1/4	22 1/4	+1/8
Zoom	10	22 1/2	22 1/4	22 1/4	+1/8
Zoom	5	22 1/2	22 1/4	22 1/4	+1/8
Zoom	2	22 1/2	22 1/4	22 1/4	+1/8
Zoom	1	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom	0	22 1/2	22 1/4	22 1/4	+1/8
Zoom					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones	Open	High	Low	Last	Chg.
Indust	3092.25	3098.00	3094.25	3097.15	+4.90
Transp	1092.25	1095.00	1091.00	1093.75	+1.50
Comp	2721.25	2734.00	2724.25	2730.15	+8.90

Standard & Poors

High	Previous Low	Open	Today's
Indust	1122.37	1122.14	1122.14
Transp	499.24	499.24	499.24
Utilities	229.44	229.84	229.84
Comp	1047.32	1047.32	1047.32
SP 500	1047.32	1047.32	1047.32
SP 100	501.92	500.86	500.86

Most Actives

NYSE

Stock	Vol.	High	Low	Last	Chg.
IBM	2,377,171	125.50	124.75	125.00	+0.75
Apple	1,811,111	35.10	34.75	35.00	+0.25
Amazon	1,655,222	18.75	18.50	18.60	+0.15
Google	1,655,222	12.50	12.25	12.40	+0.15
Facebook	1,655,222	7.25	7.00	7.10	+0.15
LinkedIn	1,655,222	3.75	3.50	3.60	+0.15
Dropbox	1,655,222	2.10	2.00	2.05	+0.05
Zoom	1,655,222	1.85	1.75	1.80	+0.05
Zoom	1,655,222	1.65	1.55	1.60	+0.05
Zoom	1,655,222	1.45	1.35	1.40	+0.05
Zoom	1,655,222	1.25	1.15	1.20	+0.05
Zoom	1,655,222	1.05	0.95	1.00	+0.05
Zoom	1,655,222	0.85	0.75	0.80	+0.05
Zoom	1,655,222	0.65	0.55	0.60	+0.05
Zoom	1,655,222	0.45	0.35	0.40	+0.05
Zoom	1,655,222	0.25	0.15	0.20	+0.05
Zoom	1,655,222	0.15	0.05	0.10	+0.05
Zoom	1,655,222	0.05	0.00	0.05	+0.05

Nasdaq

Stock	Vol.	High	Low	Last	Chg.
Microsoft	1,234,567	45.25	44.50	45.00	+0.50
Oracle	987,654	28.50	28.00	28.25	+0.25
Yahoo	654,321	15.25	15.00	15.10	+0.10
Alibaba	432,109	8.75	8.50	8.60	+0.10
Twitter	210,987	4.50	4.25	4.30	+0.05
Slack	109,876	2.85	2.60	2.70	+0.05
Zoom	98,765	1.95	1.85	1.90	+0.05
Zoom	98,765	1.75	1.65	1.70	+0.05
Zoom	98,765	1.55	1.45	1.50	+0.05
Zoom	98,765	1.35	1.25	1.30	+0.05
Zoom	98,765	1.15	1.05	1.10	+0.05
Zoom	98,765	0.95	0.85	0.90	+0.05
Zoom	98,765	0.75	0.65	0.70	+0.05
Zoom	98,765	0.55	0.45	0.50	+0.05
Zoom	98,765	0.35	0.25	0.30	+0.05
Zoom	98,765	0.15	0.05	0.10	+0.05
Zoom	98,765	0.05	0.00	0.05	+0.05

NYSE

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

Nasdaq

Stock	Open	High	Low	Last	Chg.
Microsoft	45.00	45.25	44.50	45.00	+0.50
Oracle	28.25	28.50	28.00	28.25	+0.25
Yahoo	15.10	15.25	15.00	15.10	+0.10
Alibaba	8.60	8.75	8.50	8.60	+0.10
Twitter	4.30	4.50	4.25	4.30	+0.05
Slack	2.70	2.85	2.60	2.70	+0.05
Zoom	1.90	1.95	1.85	1.90	+0.05
Zoom	1.70	1.75	1.65	1.70	+0.05
Zoom	1.50	1.55	1.45	1.50	+0.05
Zoom	1.30	1.35	1.25	1.30	+0.05
Zoom	1.10	1.15	1.05	1.10	+0.05
Zoom	0.90	0.95	0.85	0.90	+0.05
Zoom	0.70	0.75	0.65	0.70	+0.05
Zoom	0.50	0.55	0.45	0.50	+0.05
Zoom	0.30	0.35	0.25	0.30	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

AMEX

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

AMEX

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

Trading Activity

NYSE

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

Nasdaq

Stock	Open	High	Low	Last	Chg.
Microsoft	45.00	45.25	44.50	45.00	+0.50
Oracle	28.25	28.50	28.00	28.25	+0.25
Yahoo	15.10	15.25	15.00	15.10	+0.10
Alibaba	8.60	8.75	8.50	8.60	+0.10
Twitter	4.30	4.50	4.25	4.30	+0.05
Slack	2.70	2.85	2.60	2.70	+0.05
Zoom	1.90	1.95	1.85	1.90	+0.05
Zoom	1.70	1.75	1.65	1.70	+0.05
Zoom	1.50	1.55	1.45	1.50	+0.05
Zoom	1.30	1.35	1.25	1.30	+0.05
Zoom	1.10	1.15	1.05	1.10	+0.05
Zoom	0.90	0.95	0.85	0.90	+0.05
Zoom	0.70	0.75	0.65	0.70	+0.05
Zoom	0.50	0.55	0.45	0.50	+0.05
Zoom	0.30	0.35	0.25	0.30	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

AMEX

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

AMEX

Stock	Open	High	Low	Last	Chg.
IBM	125.00	125.50	124.75	125.00	+0.75
Apple	35.00	35.10	34.75	35.00	+0.25
Amazon	18.60	18.75	18.50	18.60	+0.15
Google	12.40	12.50	12.25	12.40	+0.15
Facebook	7.10	7.25	7.00	7.10	+0.15
LinkedIn	3.60	3.75	3.50	3.60	+0.15
Dropbox	2.05	2.10	2.00	2.05	+0.05
Zoom	1.80	1.85	1.75	1.80	+0.05
Zoom	1.60	1.65	1.55	1.60	+0.05
Zoom	1.40	1.45	1.35	1.40	+0.05
Zoom	1.20	1.25	1.15	1.20	+0.05
Zoom	1.00	1.05	0.95	1.00	+0.05
Zoom	0.80	0.85	0.75	0.80	+0.05
Zoom	0.60	0.65	0.55	0.60	+0.05
Zoom	0.40	0.45	0.35	0.40	+0.05
Zoom	0.20	0.25	0.15	0.20	+0.05
Zoom	0.10	0.15	0.05	0.10	+0.05
Zoom	0.05	0.05	0.00	0.05	+0.05

Dividends

Company	Per Amt	Rec Pay
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
Alcoa Indiv 88	4.25	5-18
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ASIA/PACIFIC

Japan Finance Firms Suffer a Downgrade

Debt-Rating Cuts Reflect Fears for Future

Compiled by Our Staff From Dispatches

TOKYO — Two of Japan's biggest finance companies were downgraded by U.S. credit-rating agencies Monday because of their exposure to increased competition and bad debt in light of the economic crisis sweeping the region.

Fuji Bank Ltd. saw its long-term debt rating cut by Standard & Poor's Corp., while Nikko Securities Co. was downgraded by Moody's Investors Service Inc.

S&P cut Fuji's long-term debt rating to BBB-plus from A-minus, one level above so-called speculative rating, better known as junk-bond status.

"The downgrade reflects Standard & Poor's concerns about Fuji's exposure to future deterioration in asset quality resulting from a depressed domestic economy and the financial turmoil in Asian countries," it said. Moody's downgraded its opinion of Fuji's debt last week.

Moody's cut the senior debt ratings for Nikko from A3 to Baa1, also just above speculative grade and maintained its outlook at negative. The move followed a similar downgrade last week by S&P.

Moody's said it considered "the impact of growing domestic and foreign competition, administrative sanctions and weak stock market conditions on Nikko's prospects for achieving profitability."

S&P and Moody's said they were concerned about Fuji Bank's decision last month to raise its stake in Yasuda Trust & Banking Co. Yasuda, struggling under massive non-performing loans, said last month it would issue 100 billion yen (\$786.5 million) in new shares, with Fuji Bank taking half to become its top shareholder.

Like other major Japanese banks,

Fuji has seen a drop in investor confidence because of its large portfolio of problem loans, along with declining share values, which reduce or eliminate the banks' earnings from their large shareholdings. This lack of income makes it more difficult for the banks to write off problem loans and now is coupled with Japan's increasingly gloomy economic outlook.

The S&P action came just hours after Fuji said it would raise its capital cushion through the issuance of dollar-based preferred securities through a U.S. subsidiary. A Fuji Bank executive said the target amount for the securities would be \$1 billion to \$1.5 billion and that they would be issued in March.

For Nikko, the credit-rating agencies are concerned that foreign competition could eat into the brokerage's market share as rules governing the securities industry are relaxed.

"Nikko has been relatively late in introducing new products, rationalizing its expense base and implementing efficient management practices," Moody's said.

(Reuters, AFP)



Japan Speculator Gets 12 Years for Fraud

Niri Onoue, a former restaurant owner who borrowed trillions of yen in the heyday of Japan's "bubble" economy, was sentenced Monday to 12 years in jail in the country's biggest loan fraud. She was found guilty of fraud and breach of trust charges involving 270 billion yen (\$2.1 billion).

WorldCom Leaps Barrier Into Japan

Bloomberg News

TOKYO — WorldCom Inc. said Monday that Japan had approved its application to offer phone service in Japan, which will make it the first foreign carrier to do so.

WorldCom applied for the license Feb. 5, the same day a World Trade Organization accord opening global telecommunications markets took effect.

With the license, the company will enter by the end of the year into direct competition with Nippon Telegraph & Telephone Corp., the world's largest phone company.

"The whole Japanese market is changing," said Steve Liddell, president of WorldCom Asia Pacific Ltd.

Initially, WorldCom plans to target financial institutions in Tokyo with a fiber-optic telephone and data transmission service. It offers the same service in such cities as London and New York. It also plans to offer international services in Japan.

The company would not say how much of the domestic market it hoped to capture, but 20 percent of the international market, equal to its share in Britain, is a "good benchmark," said Colin Williams, chairman and president of WorldCom International Inc.

The company puts the value of the Japanese telecommunications market at \$100 billion, of which 40 percent is business use. "Being cost-competitive is our driving force" and will change Japan's pricing structure, Mr. Williams said. He did not offer specifics.

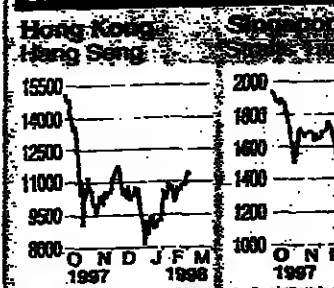
WorldCom plans to sell some services using NTT's network, which WorldCom will market under its own name. It has already started negotiations with NTT, Mr. Liddell said.

Toshiaki Iba, an analyst at ING Baring Securities (Japan) Ltd., said it might be difficult for WorldCom to attract users from NTT. "NTT has a long relationship with Japanese businesses," Mr. Iba said.

British Telecommunications PLC may become another competitor in Japan's phone market. The company has said it would apply for a license to set up its own network in Japan, although on Monday a spokesman said BT had not decided whether it would use the facilities for international or domestic phone services.

WorldCom is expected to complete a \$41.8 billion acquisition of MCI Communications Corp. this year.

Investor's Asia



Index	1997	1998
Hong Kong	14000	14500
Singapore	12000	12500
Japan	10000	10500

Very briefly:

- Japanese domestic car sales plunged 22.4 percent in February, compared with a year earlier, to 396,907 vehicles, the Japan Automobile Dealers Association said.
- The European Union urged Japan to open its markets and encourage domestic consumers to buy more imports from the country's battered Asian neighbors.
- A Tokyo court declared a fourth affiliate of the collapsed Yamaichi Securities Co. bankrupt. Yamaichi Finance Co. had debts of 171.26 billion yen (\$1.35 billion).
- Kawasaki Heavy Industries Ltd. cut its group pre-tax profit forecast for the financial year ending March 31 to 34 billion yen from a projection of 43 billion yen. The downgrade was attributed to lower profit from train-carriage sales in the United States.
- Tomen Corp., a Japanese trading house, said it had jointly won a 3.8 billion yen order to build a 175,000-kilowatt hydropower plant in Vietnam with Fuji Electric Co. and Ansaldo Energia SpA of Italy.
- Kentucky Fried Chicken Corp. said it planned to open a store in Hanoi by the end of the year, becoming the first international fast-food outlet in the communist capital.
- Shinawatra Computer & Communication PLC, a Thai telecommunications company, said it posted a net loss of \$134.3 million in 1997, hurt by the bank's decline in value.
- Three Malaysian developers and a Hollywood studio signed up for a share in Australia's biggest waterfront development. The Malaysian groups, which include Yarra City Ltd., which is partly owned by Land & General Bhd., IJM Corp. and Austral Amalgamated Bhd., of Malaysia, and Paramount Studios were among two co-sponsors signing contracts worth 950 million Australian dollars (\$643 million) to develop part of Melbourne's derelict docks.
- Lodon International Group PLC, makers of a leading condom brand, Durex, announced a \$7 million joint venture with Qingdao Latex Co. of China, which makes the Double Butterfly brand.

Reuters, AFP, Bloomberg

Bangkok to Offer Exporters More Credits

Reuters

BANGKOK — Thailand said Monday that it would offer exporters more credits to head off concerns that the country's severe cash crunch might stifle an export-led economic recovery.

Bangkok plans to increase export credits fourfold this year to offset the sharp decline in domestic bank loans for Thai exporters, a govern-

ment spokesman, Akapol Sorasuchart, said after the weekly meeting of economic ministers.

The government has earmarked 115.5 billion baht (\$2.7 billion) in fresh credits for the export sector for the rest of the year, he said. Exporters have received 26.6 billion baht in the past several months, he said.

The new funding is to include a \$1 billion foreign syndicated loan ar-

ranged by the Asian Development Bank and \$300 million from the Export-Import Bank of Japan, Mr. Akapol said.

Thailand's fragile financial sector is struggling through its worst crisis in decades. Most of its banks have had trouble raising capital as required by the authorities and have been wary of extending loans to mid-size and small corporate borrowers.

The governor of the central bank, Chaiyawat Wibulsawadi, said Monday that Thai banks and finance companies would raise at least 172 billion baht in new capital this year.

Analysts said Thai banks' weak credit ratings had led foreign banks to be wary of accepting their letters of credit for manufacturers importing foreign materials.

The International Monetary Fund, which has sponsored a \$17.2 billion bailout package for the Thai economy, has projected that exports will increase 6.2 percent this year, against a rise of 3.5 percent in 1997 and a decline of 1.3 percent in 1996.

Beijing to Peg 1998 Growth Target at 8%

Bloomberg News

BEIJING — China's departing prime minister, Li Peng, will set the economic growth target for this year at 8 percent when he presents his annual report to Parliament on Thursday, according to copies of the report circulating Monday in Beijing.

The report, which was available among Hong Kong delegates to the annual sitting of the National People's Congress, said the gov-

ernment would aim to keep inflation below 3 percent.

Economists are hoping Zhu Rongji, who will succeed Mr. Li, will usher in new economic policies to accelerate growth. China's economy grew 8.8 percent in 1997, down from 9.7 percent in 1996, and the slowest growth since 1990.

The Asian economic crisis that has seen currencies and stock markets tumble in several neighboring

countries is widely expected to drag China's growth lower this year, as flows of foreign investment dwindle and the country's exports face sharper competition.

The report said that China had "maintained stability of the markets" and its currency, the yuan, despite the crisis in the region, but that the country also should "learn lessons and experience to minimize risks."

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SHAKEOUT: Firms Thrive in New Asian Economic Landscape

Continued from Page 1

ventures and Taiwan-based companies, which for the most part still have plenty of cash to buy raw materials or even increase investments. One winner is Goldman Sachs & Co., which bought 30 percent of a Thai hotel chain that has been packed with bargain-seeking tourists.

The stakes of the shakeout are high: the survival of thousands of companies, the jobs of millions of workers, and the political and economic prospects of nations.

In some cases, subsidiaries of a single company have been pitched into a head-to-head conflict, with each unit's survival at stake. A plant in Tianjin owned by South Korea's Samsung Group recently refused to supply any more parts to another Samsung factory in Indonesia unless that unit began coughing up some cash.

Over the past month, the Indonesian Samsung operation has given the Tianjin

plant letters of credit to cover \$3 million in component purchases. Those letters of credit — issued by ailing Indonesian banks — are virtually worthless.

"They are just pieces of paper," said Lee Bak June, managing director of the Tianjin plant. "No one accepts them. Now we want cash on delivery."

Executives at Samsung headquarters in South Korea are struggling to find a solution, but the parent company is also short of cash.

One aspect of the new Asian landscape is an intensified scramble for new export markets to compensate for the collapse of domestic and Asian export markets.

The Samsung plant in Tianjin, for example, had planned to ship 15 percent of its videocassette recorders to South Korea and 10 percent to Southeast Asia. But Southeast Asian customers are broke, and VCRs are less expensive to make in South Korea. Now Mr. Lee hopes that increased

sales to Pakistan, the Middle East, Germany and Russia will compensate.

While companies scramble for markets, cities and countries are competing for investment dollars. The Tianjin Economic Development Area southeast of Beijing is one of the places striving to be a winner, even though the Asian crisis has hammered many of the South Korean, Japanese and Southeast Asian companies that have been among the area's biggest investors since China opened its doors to the outside world in the early 1980s. South Korean and Japanese firms have accounted for 7.3 percent and 5.2 percent, respectively, of the \$9.5 billion in foreign investment in this showcase enclave.

To ease the pain for investors, the authorities here are offering to relax requirements for local inclusion, reduce export requirements, postpone rents, lobby local banks to extend loans, help deal with labor problems and promote products for the local market.

One recipient of Tianjin's aid has been the South Korean giant Hyundai Electronics Industries Co., which this year plans to import equipment to its plant here that eventually will supply parts to Motorola Inc. To ease Hyundai's cash crunch, the Tianjin Economic Development Area agreed to postpone rent payments on the factory for two years.

While South Korean companies are contracting, other companies are expanding. A Taiwan-based food company, Imei, which owns one of the two surviving Thai golf-bag companies, plans to spend \$3 million to set up a cookie factory in the Philippines. Imei can do that because it has been cautious about borrowing money, unlike the over-indebted conglomerates of South Korea, which invested broadly outside their core industries.

"Taiwan companies invest in other areas, but they take care of their core businesses," said Chong Hongchia, a Taipei business executive.

INDONESIA: New Wave of Turmoil Seen as Inflation Rates Soar

Continued from Page 1

ures tend to understate price rises, analysts said.

According to the official figures, food prices rose a month-on-month 16.07 percent in February, housing, 10.03 percent; textiles, 15.62 percent, and services, 9.31 percent.

Anecdotal evidence suggests that in recent weeks, on a month-on-month basis, cooking oil has risen in price by around 130 percent; rice around 34 percent; flour, 33 percent; eggs, 88 percent, and chicken, 34 percent.

"This February figure is no surprise, everything is pointing to inflation spiraling," said Neil Saker, head of regional economic research at Socgen-Crosby in Singapore.

Analysts said a look at the base money figures showed that the central bank was printing a lot of money and at the same time in the real economy there were shortages of food and other essential goods.

"The classic definition of hyperinflation is too much money chasing too few goods and that appears to be the situation now," Mr. Saker added.

Mr. Suharto, who said oo-

Sunday the current crisis had begun to compromise the economic lifeline of the world's fourth most populous country, also faced other problems from an unexpected quarter on Monday.

A legislator at the normally docile People's Consultative Assembly, the country's top policy-making body, sugges-

ted the 76-year-old former army general should step down if the crisis is not speedily resolved. Other legislators spoke of a deadline to sort out the mess.

The assembly is expected to re-elect Suharto unopposed for a seventh five-year term next week.

Against a background of

mounting international concern, a steady stream of high-level visitors has descended on Jakarta in recent weeks to cajole, advise or warn Mr. Suharto.

Mr. Mondale will meet Mr. Suharto on Tuesday. U.S. Embassy officials said. They gave no other details.

(Bloomberg, Reuters, AFP)

MICROSOFT: Learning to Live With a Giant

Continued from Page 11

licensing deals was around \$20 million a year.

But a month earlier, in December 1995, when Mr. Gates announced that Microsoft was shifting its product development to "embrace and extend" the Internet, he also said Microsoft would be giving its browser away. A byproduct was that the Spyglass browser licensing revenue quickly disappeared, as smaller Internet software companies went out of business and many big customers shifted to Microsoft's free browser.

"Twenty million in revenues went away — poof! — in a year," Mr. Colbeth said.

So, once again, Spyglass overhauled its strategy. No

longer in the market for Internet software for the PC market, it is focusing on software that enables non-PC devices to tap into the Internet. This market, just beginning to emerge, is expected to range from cellular phones and television set-top boxes to fax machines and even to gasoline pumps (screen-equipped for downloading local road maps). By 2001, it is estimated there will be 48 million non-PC devices worldwide.

■ Windows 98 on Time

Microsoft's Windows 98 operating system will be released by midyear — on schedule — without delay by the Justice Department's antitrust investigation, Mr. Gates said Monday.

Bloomberg News reported from Washington.

"That product is on track to be shipped around the middle of the year," Mr. Gates said. "We're on track to release Windows 98 and we're full speed ahead."

Separately, Microsoft said it had changed its contracts with 30 Internet providers in Europe and 12 in the United States to allow them to promote rival Internet browsing software, Reuters reported.

A company spokesman said the decision followed a review of contracts with Internet providers initiated by the company's European units last fall after reports that the European Commission might have concerns about the company's cross-promotional deals with providers.

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WORLD ROUNDUP



Waqar Younis bowling Monday against the South Africans.

South Africa Loses

CRICKET Waqar Younis seized South Africa's last two wickets Monday morning to give Pakistan a victory by 29 runs in Durban in the second test against South Africa.

South Africa resumed on 186 runs for eight wickets on its second innings, pursuing 255 for victory. Mark Boucher and Fanie de Villiers raised hopes of a win by extending their ninth wicket partnership from 53 overnight to 86 before Waqar bowled Boucher and then dismissed Allan Donald for naught.

Pakistan leads the three-match series 1-0.

In Georgetown, Guyana, Ian Bishop and Dinanath Ramnarine, two West Indian bowlers, shared a record 70-run partnership for the last wicket Monday on the fourth day of the fourth test against England. The home team was all out for 197 in its second innings, leaving England to make 380 to win. England started badly and lost four wickets for 58 by tea. (Reuters)

Williams Wins First Title

TENNIS Venus Williams, the losing finalist in the U.S. Open, won her first WTA event Sunday when she beat Joanne Kruger, 6-3, 6-2, in the final of the IGA Classic in Oklahoma City.

"I was more ready for the situation of being in the finals this time," said Williams, 17.

Following a 30-minute break, she joined her sister Serena as they captured their first doubles crown by beating Catalina Cristea of Romania and Kristine Kuncu of Australia, 7-5, 6-2. (AP)

A Wealthy Inmate

FOOTBALL Lamar Smith, in jail because of a car accident that injured two Seattle Seahawks teammates, has agreed to a four-year, \$7.1 million contract with the New Orleans Saints.

The running back was the driver in a one-car accident Dec. 1, 1994, in which Mike Prier was left paralyzed and Chris Warren was injured. Smith is serving a four-month sentence for vehicular assault.

Quarterback Ty Detmer, a sometime starter in two seasons with the Philadelphia Eagles, agreed to a contract Sunday with the San Francisco 49ers. Terms of the deal were not disclosed. (AP)

Belgium's New Local Boy Wins a Tune-Up Bike Race at Home

By Samuel Abt
International Herald Tribune

KUURNE, Belgium — If Andrei Tchmil, an ex-Russian, an ex-Ukrainian and now a freshly minted Belgian, had been given a choice of where to win his first bicycle race before his new countrymen, he might not have chosen Kuurne.

Certainly victory in the celebrated Tour of Flanders or Liege-Bastogne-Liege races next month would have been far more prestigious than victory in Kuurne-Brussels-Kuurne. The first two are World Cup one-day classics while Kuurne-Brussels-Kuurne is just a tune-up race, a chance to put some kilometers in the riders' legs for the season — and the major races — ahead. The competition is minor, mainly second-division Belgian teams, the weather almost always dreadful and the race itself not overly demanding.

But Kuurne, a village in Flanders, is a bicycle-mad hot spot in a bicycle-mad country. They know how to put on a race here: the thousands who show up early at the staging area outside the hippodrome to look the riders over and offer a word of advice,

the thousands who pack the main streets and stand, as they probably have stood for all 51 runnings of the race, in the inevitable cold, hard rain (who can forget the battering sleet of 1995?) to cheer at the finish.

On Sunday, they had a chance to cheer Tchmil, ranked sixth in the world and now one of their own. Since 1994 the leader of the Lotto team based in Belgium, he has ridden Kuurne-Brussels-Kuurne before, of course, and usually finished in the top 10 over its 200 kilometers (124 miles). But then he was licensed in Ukraine, where he was born in 1963 to Russian parents.

For the last few months, he has been a Belgian. The reason, he explained after his victory last autumn in the Paris-Tours classic, was security for himself and his family. As one of the first East European riders to come West a decade ago, he settled in Italy and was given a visa that will be withdrawn once he stops racing. Now 35, he expects the finish to come in 2000.

The decision to apply for Belgian citizenship was not easy, he said, especially for somebody who speaks several languages but finds Flemish, in his own word, incomprehensible. As an example, his

name is sometimes being written this season as Tejmil, probably no problem for somebody who started life in Cyrillic.

So there was Tchmil on Sunday, one Belgian among many. Older fans rode clunker bicycles and wore the jerseys of nearly forgotten Belgian teams: Isogias, Hitachi, Histo Sygma, Tonton Tapis. Boys showed up in the jerseys of their local sponsors: Garage Johan, Atlas, Sani Perfect.

The bar in the grandstand of the hippodrome, where the riders signed in, began to attract beer drinkers about 10:30 A.M., more than an hour and a half before the race's start. The bar was just outside was packed, as was the paddock café down the street. After all, it's Belgium.

It was cold but, in the quickly changeable Belgian weather, sunny all morning. People circulated. Two pretty girls passed out posters of the Spar team. The organizers of the Cholet-Pays de Loire race this month in France wooed team officials to compete there. Small boys distributed start lists of the names and numbers of the 11 riders for 25 teams. The sun cheered everybody up.

The rain began a few hours later, when the pack

was moving at high speed past fields speckled with crows eating freshly sown seeds. On and off, it rained most of the afternoon, and the wind and cold increased. By the time the muddy riders came down the Kluisberg, a hill 70 kilometers from the finish, the pack was down to about 60 riders.

On the descent, three riders attacked. They were Franck Vandembroucke, a Belgian with the Mapei team, Emmanuel Magnien, a Frenchman with La Française des Jeux, and Tchmil. From 10 seconds on the Kluisberg, their lead rose to a minute and a half when they reached Kuurne and began the first of three long laps around the village. The rain was steady.

Vandembroucke tried to escape on the final lap, but Tchmil caught him and then attacked. Magnien was unable to hold the pace, and Tchmil had no real difficulty in pulling alone away to win by five seconds.

Jammed behind the barriers along the narrow street, the people of Kuurne applauded the one-two finish by local boys. Vandembroucke hails from Mouscron, just down the road, near the border with France, and Tchmil — he now comes from Belgium itself, doesn't he?

A Magician in the Net Conquers With 'Style'

Hasek's Is a Product of a Fertile Imagination

By Ed Willes
New York Times Service

NEW YORK — The question, it seems, is interesting to everyone but Dominik Hasek.

"I think he's the best," Pat LaFontaine of the New York Rangers said when asked if Hasek was the premier goalie in the world. "I've seen him do things that make me shake my head. And I can't say that about a lot of players."

"He's the best," said Jaromir Jagr of the Pittsburgh Penguins, Hasek's teammate on the Czech Republic's gold-medal-winning team at the 1998 Winter Olympics in Nagano, Japan. "I said before the Olympics: We've got the best goalie in the world. We have to take advantage of that."

And what does Hasek say about it? "I hate these questions," said the goalie for the Buffalo Sabres. "Who is better? Patrick Roy, Hasek, Martin Brodeur. That is your choice. I just love to play hockey. I just like to win, and that is why I play hockey."

Hasek has a trait shared by most legendary athletes: Style. True, it might not be style in the classic definition, but it is his own.

His success is derived from two main attributes: his monomaniacal work ethic and his athleticism. He was not felled by a goaltending coach in his youth, so he was able to develop his own style. It is a product of his fertile imagination. He works like a longshoreman. He could probably bend spoons with his powers of concentration. At 33, he has lost none of his passion for the game.

"He hates to get beat in practice," said Petr Svoboda of the Philadelphia Flyers, who played junior hockey with Hasek and also shared Olympic gold in Nagano. "He works an extra 40 minutes after the game. He never stops working, and he enjoys the game so much. He's 33 years old, but he enjoys the game as much as a 16-year-old."

John Davidson, a broadcaster and former goalie, tells of watching Hasek take a full workout with the Czech team in Japan the day after his 38-save performance against the United States. Hasek stayed after practice and faced shooters in a penalty-shot drill. The next day he stopped all five Canadian attempts in a shoot-out to lift the Czechs into the gold medal game.

Blackhawks in 1983, but he turned down the initial contract because he was enjoying playing in the then Czechoslovakia. He entered the NHL in 1990, when he was 25, and played backup for

two years in Chicago. He was traded to Buffalo in 1992.

Hasek has always brought a certain artistic temperament to his position. Early in his career, his army-sponsored club team was facing Pardubice, his old hometown club team. Pardubice was in last place and in danger of falling out of the first division, and Hasek did not want to be a part of that. He was ordered to take the net against his former club, and he did, for 20 seconds, before he skated off the ice. He was suspended for six games and was assigned two weeks in the regular army for that offense.

The incident served as a portent for Hasek's falling out with Ted Nolan, the Buffalo coach last season. Hasek got into a fight with Jim Kelley, a Buffalo journalist who had criticized him. Hasek did not feel that Nolan gave him enough support afterward. Hasek also did not like the way the coach treated his European teammates.

Hasek said it would be better for him if Nolan were gone. Nolan was fired and Hasek was booed unmercifully by Buffalo fans at the start of this season.

He struggled, but started to improve in November. In December he recorded his seventh shutout of the season. They are not booing in Buffalo anymore.

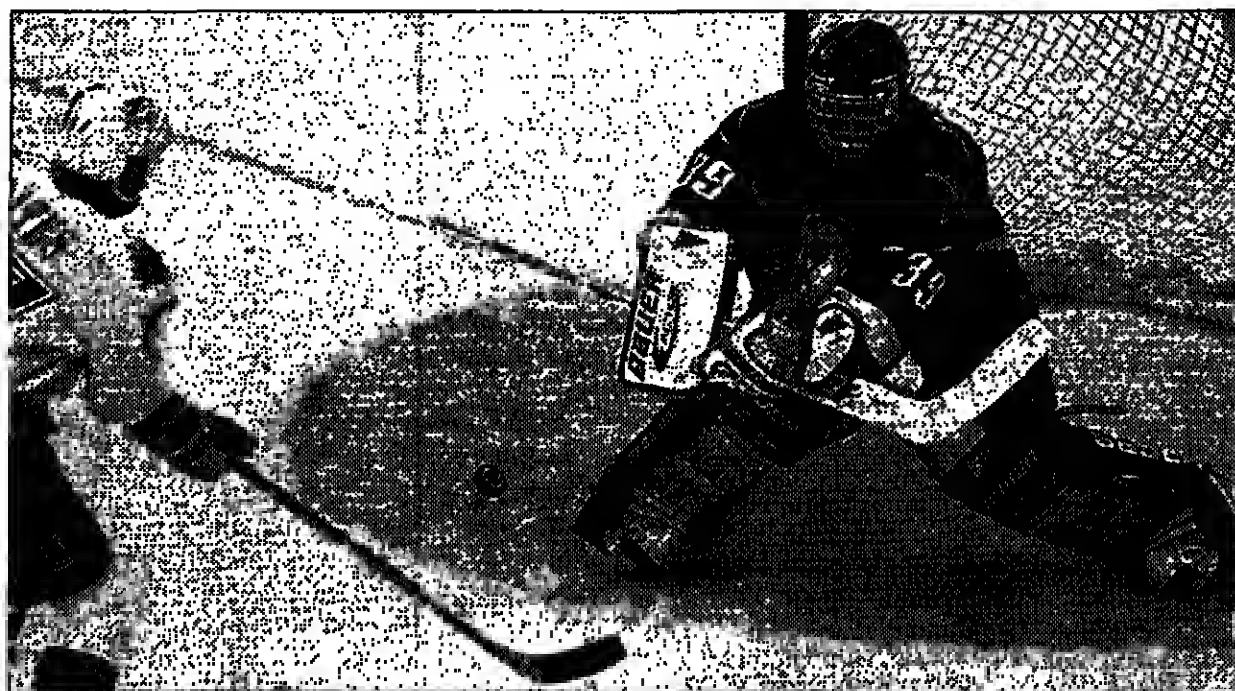
"He's creative, he anticipates and he knows exactly what's going on," said John Mackler, Hasek's general manager after last season and now the coach of the New York Rangers. "I bet he doesn't hear a sound when he's playing. That's how hard he concentrates."

But the concentration wouldn't mean a thing if Hasek didn't have talent. And Hasek has come up with a style that confounds shooters.

It starts with his flexibility. Before a practice or a game, Hasek will walk into the locker room, sit with his legs spread wide in a V-shape in front of him and touch his stomach to the floor.

Hockey people also talk about a goalie having loose knees: the ability to fire into a butterfly position and cover the lower part of the net. There's a story that Hasek's parents had a doctor examine his knees when he was a child. They were concerned there was something wrong because of their son's preternatural flexibility.

Hasek has taken that ability to contort himself and created the game's most unorthodox, most effective style. His signature moves include the rolling back flip — which he demonstrated with his save against Eric Lindros in the Canada shoot-out — and a played-leg maneuver at the goal line in which he spreads his legs the width of the net.



Dominik Hasek, Buffalo's Czech goaltender, saving a shot from Adam Oates of the Washington Capitals.

Sabres' Czech Goalie Blanks Capitals

The Associated Press

Dominik Hasek, the Buffalo goaltender, turned in his second strong performance since coming back from the Winter Olympics in Nagano, Japan, as the Sabres won in Washington, 3-0.

"We're playing much, much better hockey now," said Miroslav Satan, who scored all three goals Sunday as the Sabres extended their unbeaten streak to 12. "The main reason is because of Dominik, and because of the way he's playing, our whole defense and offense is playing much better."

Hasek made 36 saves Sunday for his career-high eighth shutout of the season and 28th of his career.

Satan was the entire offense for the Sabres, who have not lost since a 3-0 defeat in Philadelphia on Jan. 20.

The Capitals are without a victory in their last six games and have dropped four consecutive games at MCI Center in Washington.

But Hasek's tricks also mask a sound, fundamental style. Like a great jazz musician, the goalie has mastered the basics of his trade — positioning, anticipation. But it is what he does in his moments of improvisation that set him apart.

"Goalies always have their own style," said Mike Richter, the Rangers' goalie. "But there are a couple things you have to do to stop the puck. You have to center on the puck. You have to

Blackhawks 2, Stars 2 In Chicago, Dallas raised its NHL-leading point total to 85 with a tie against the Blackhawks.

Eric Daze and Greg Johnson scored on 5-on-3 power plays for Chicago.

NHL ROUNDOFF

Pat Verbeek and Benoit Hogue scored for Dallas, which had a five-game winning streak stopped.

Blues 3, Mighty Ducks 2 Brett Hull, facing Anaheim for the first time since Tomas Sandstrom broke Hull's left hand in a slashing incident, had two goals and two assists to lead the visiting Blues over the Mighty Ducks.

Pierre Turgeon also had two goals and two assists en route to the Blues' sixth victory in eight games and first in their last five meetings with the Ducks.

Sandstrom's slash of Hull's hand cost him 13 games — in addition to the All-Star Game.

Flames 2, Senators 1 In Calgary, Dwayne Roloson made a career-high 46 saves as the Flames beat Ottawa.

Roloson was sharp from the game's first minute when he made two great saves during a two-man advantage that lasted nearly two minutes.

The 47 shots were a franchise high for the Senators, who were shut out on 10 power-play chances.

Trailing, 1-0, after one period, Calgary tied the game at 2-2 on a power-play goal by Marty McInnis, then took the lead for good 10 minutes later on a goal by Jamie Allison.

Sergei Zholtok scored for the Senators, who lost all three games on their Western road trip.

Braves 5, Islanders 4 On Long Island, Steve Heinze and Tim Taylor scored goals 36 seconds apart early in the third period to snap a tie and give Boston the victory.

Taylor scored twice for Boston, which stretched its unbeaten streak to three games.

In the gold medal game, he blanked Russia, 1-0, then flew home to Prague where the team was feted by some 140,000 Czechs, among them President Vaclav Havel.

Hasek had last celebrated in Old Town Square in Prague in 1989 when Czechoslovakia threw off the yoke of Soviet domination. He was asked to compare that moment to the party for the Olympic team. "This time I had more Champagne," he said.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

SUNDAY RESULTS

Boston 1, Minnesota 3	Los Angeles 5, Atlanta 3
Cleveland 4, Kansas City 5	St. Louis 7, Montreal 2
Houston 1, New York Mets 9	New York Yankees 6, Philadelphia 3
Texas 5, Pittsburgh 4	Florida 3, Detroit 6
Toronto 12, Cincinnati 9	Oakland 6, Milwaukee 7
Baltimore 1, New York Mets 9	San Diego 4, Seattle 4
Los Angeles 5, Atlanta 3	Arizona 7, Chicago White Sox 6
St. Louis 7, Montreal 2	San Francisco 16, Chicago Cubs 1

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

Team	W	L	Pct	GB
Atlanta	41	16	.695	—
Orlando	32	22	.591	9 1/2
New York	31	24	.562	10 1/2
Charlotte	24	31	.438	17 1/2
Washington	24	31	.438	17 1/2
Philadelphia	20	35	.364	21 1/2

WESTERN CONFERENCE

Team	W	L	Pct	GB
Utah	32	12	.727	—
San Antonio	29	18	.616	3 1/2
Minnesota	31	26	.544	4 1/2
Houston	28	29	.491	7 1/2
Vancouver	28	29	.491	7 1/2
Dallas	11	46	.193	29 1/2
Denver	5	53	.086	35 1/2

PACIFIC DIVISION

Team	W	L	Pct	GB
Seattle	37	22	.625	—
L.A. Dodgers	30	27	.524	4 1/2
Phoenix	28	29	.491	6 1/2
Portland	24	33	.421	11 1/2
San Diego	24	33	.421	11 1/2
Golden State	12	45	.214	23 1/2
L.A. Angels	11	46	.204	24 1/2

SOUTHERN DIVISION

Team	W	L	Pct	GB
L.A. Dodgers	37	22	.625	—
New York	34	25	.577	3 1/2
Los Angeles	31	28	.524	6 1/2
San Francisco	27	32	.452	10 1/2
San Diego	24	35	.406	13 1/2
Arizona	14	45	.237	24 1/2
Colorado	13	46	.217	25 1/2

BASEBALL CONTINUED

Team	W	L	Pct	GB
San Francisco	31	28	.524	—
San Diego	24	35	.406	7 1/2
Los Angeles	24	35	.406	7 1/2
Arizona	14	45	.237	24 1/2
Colorado	13	46	.217	25 1/2

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Team	W	L	Pct	GB
San Francisco	31	28	.524	—
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BASEBALL CONTINUED

1980-81 (Torgeson) 1st rd. 1

